EXECUTIVE SESSIONS OF THE SENATE FOREIGN RELATIONS COMMITTEE

(HISTORICAL SERIES)

VOLUME XI

EIGHTY-SIXTH CONGRESS
FIRST SESSION
1959

MADE PUBLIC MARCH 1982

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE
68-677 O WASHINGTON : 1982

S381-18

COMMITTEE ON FOREIGN RELATIONS

86th Congress, First Session

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97th Congress, Second Session

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PREFACE

1959 was a year of transition. The Congressional elections of the previous November had dramatically altered the political complexion of the Senate. Secretary of State John Foster Dulles warned that the leaders of many foreign governments believed "that with the Executive being Republican and with the Congress being so predominantly Democratic we are bound to be in a condition of stalemate where we cannot act effectively." And indeed the committee's executive session transcripts for that year show signs of a new sense of independence among its members and a desire to take the initiative on many issues, particularly foreign aid. For the most part, however, the bipartisan spirit of American foreign policy continued.

The year saw important changes in the leadership of both the Foreign Relations Committee and the Department of State. In a February meeting, staged by Senate Majority Leader Lyndon Johnson, 92-year-old Theodore Francis Green resigned the Chairmanship in favor of Senator J. W. Fulbright, thus launching Fulbright's long tenure at the committee's helm. Later that spring illness would cause John Foster Dulles' hospitalization, resignation, and death. Enmeshed in foreign affairs to the end, Dulles gave his last annual review of world events to the committee in January, and then flew to Europe the next month to deal with the smoldering crisis over Berlin. By April the Foreign Relations Committee was considering the nomination of Dulles' successor, Massachusetts Governor Christian A. Herter.

The Cold War persisted during the year, although with some noticeable variations in intensity. Differences between the Soviet Union and the Western nations over the status of Berlin reached a critical stage, with diplomatic offers, counter-offers, and threats being exchanged between East and West. The committee heard strong words from General Nathan Twining, Chairman of the Joint Chiefs of Staff, who said: "We feel that we must hold Berlin at all costs, even to general war." Despite high-level negotiations in Paris and Geneva, the Berlin crisis went unresolved in 1959, although tensions lessened and the world avoided a military clash over the issue. That year Vice President Richard Nixon conducted his famous "kitchen debate" with Soviet Premier Nikita Khrushchev at an American exposition in Moscow, and Khrushchev toured the United States, alternately demonstrating moods of gregariousness and bellicosity to the American public.

In 1959 Vietnam emerged as a troublespot for the first time since the fall of Dien Bien Phu and the signing of the Geneva accords 5 years earlier. The committee heard from Admiral Harry Felt, Naval Commander in Chief of the Pacific, who expressed some doubts about President Ngo Dinh Diem's assessments of the military situations in Vietnam and Cambodia. But the issue which directed the most attention toward Vietnam was neither military nor diplomatic. Instead it was charges of corruption and mismanagement in the American aid program to Vietnam, causing the committee to hold a series of investigative hearings.

The committee heard testimony from W. Averell Harriman on conditions in the Soviet Union, from CIA Director Allen Dulles on turmoil in Tibet and Iraq, and from Paul Nitze on the emerging independent nations of Africa. Finally, included here are the hearings concerning the controversial nomination of Mrs. Clare Boothe Luce to be Ambassador to Brazil. These transcripts detail a progression of events, beginning with Senator Wayne Morse's sponsorship of Mrs. Luce's nomination, to his reconsideration and strenuous opposition.

The selection of transcripts for this volume represents the editor's choice of material possessing the most usefulness and interest for the widest audience. Subheads, editorial notes, and some documents discussed in the hearings, are added to bring the events into perspective. Any material deleted (other than "off the record" references for which no transcript was made) has been noted in the appropriate places, and transcripts not included are represented by minutes for those sessions, in chronological sequence. Unpublished transcripts and other records of the committee for 1959 are deposited at the National Archives, where they are available to scholars under the access rules of that Agency. Some transcripts will require further declassification procedures. Appendix F of this volume lists all published materials of the committee for 1959 for further reference.

In accordance with the general policy of the series, portions of this volume were submitted to the Departments of State and Defense, the Central Intelligence Agency, and participating Senators for review and comment.

This volume was prepared for publication by Donald A. Ritchie of the Senate Historical Office.

CHARLES H. PERCY

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MINUTES

MONDAY, JANUARY 5, 1959

UNITED STATES SENATE,
EXECUTIVE COMMITTEE OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The executive committee met in executive ssession at 4 p.m. in Room F-53, Capitol.

Present: Chairman Fulbright, Senators Sparkman, Hickenlooper, and Aiken.

Matters concerning a full and complete study of U.S. foreign policy, and other committee business were discussed.

No transcript was kept at the meeting.

[After concluding its business, the executive committee adjourned.]

MINUTES

TUESDAY, JANUARY 13, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10:35 a.m., in Room F-53, Capitol.

Present: Chairman Green, Senators Fulbright, Sparkman, Humphrey, Mansfield, Morse, Wiley, Hickenlooper, Langer, and Aiken.

The chairman announced the scheduling of a series of hearings in the nature of a review of world events and foreign policy, with Secretary of State Dulles, Secretary of Defense McElroy, General Twining, and Under Secretary of State Dillon.

The committee was notified by the chairman that it would meet at a luncheon on the following Friday with Soviet Vice Premier Mikoyan,

The chairman appointed a Subcommittee on Personnel, consisting of Senators Sparkman (chairman), Morse, Wiley and Aiken to recommend a candidate for appointment as a professional staff member, vice Francis Valeo. On motion by Senator Fulbright, and by unanimous consent, the chairman was requested to write a letter of thanks to Mr. Valeo for his services to the committee.

Senator Fulbright reviewed the status of the current foreign policy, and announced, that as the result of a meeting of the Special Executive Committee on Foreign Policy the previous Monday, the staff had been instructed to arrange for a series of studies in foreign policy areas, and to complete contracts therefor. He also announced that the executive committee had decided to send a letter to about 50 former members of the Foreign Service asking them for their views on United States foreign policy.

Senator Humphrey reported on the activities of the Subcommittee on Disarmament, saying there were a number of staff studies under way which would relate to the control system of disarmament, and disarmament efforts. He also announced that a series of hearings would be undertaken.

Senator Fulbright raised the point that certain areas of proposed studies by the Disarmament Subcommittee might be in conflict with the substantive investigations and inquiries of the full committee. Following a discussion on procedure, Senator Langer entered a motion to approve the subcommittee's budget. The motion was not acted upon.

Senator Morse then made a statement on the status of studies being undertaken into Latin American policies of the United States by the Subcommittee on American Republics Affairs. His review included mention of questionnaires sent to American officials and businessmen in

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South and Central America, conferences held with American nationals in Mexico, and of digests being prepared on Latin America from material held in the Library of Congress. He reported that proposals for contracts had been sent out to numerous research institutions and that hearings would be held.

By voice vote, the committee unanimously approved two resolutions for report, the first of which (S. Res. 30) would authorize the employment of two professional staff members and three clerical assistants, and the second (S. Res. 32) giving it authority to hire one professional staff member and expend not more than $5,000 for the reception of distinguished foreign visitors by the Senate and Senators.

The committee next considered a resolution (S. Res. 31) which would authorize it to undertake inquiries into the conduct of United States foreign policy generally, disarmament questions and controls, and Latin American and Canadian affairs, and to expend not more than $489,650 on such studies. During the consideration of this resolution Senator Aiken made an interim report on the status of exchanges and proposed meetings with Members of the Canadian Parliament as part of the activities of the Subcommittee on Discussions Between United States and Canadian Legislators. Following this, the committee, by voice vote, and on motion of Senator Sparkman, seconded by Senator Morse, raised the amount of the resolution from $489,650 to $500,000. The resolution was accordingly approved for report, and a budget attached to the report also agreed to.

Another discussion on subcommittee procedure followed, during which the relative areas of inquiry for subcommittees and the full committee were covered, and the question entered if conflicts in hearings and studies would not result from too much fragmentation of the committee's activities among its subcommittees.

This concluded, Senator Fulbright raised the former question and proposal of the committee's move to new offices in the new Senate Office Building. After discussion, Senator Morse moved that the committee act to accept the assignment of new committee quarters and hearing rooms in the new Senate Office Building, but notify the Committee on Rules and Administration that it wishes to retain use and control of F–53 and F–63 in the Capitol, while surrendering Rooms F–55–56–57. When this was discussed, Senator Fulbright entered a substitute motion that the chairman be authorized to appoint a subcommittee to look into the whole proposal of moving committee quarters, whereupon Senator Morse accepted such a motion and withdrew his own. Senator Hickenlooper offered an amendment to the motion of Senator Fulbright that the subcommittee, so appointed, report back not later than the committee's next meeting day. This was agreed to, with a further amendment that the chairman or a subcommittee be able to report. On a second by Senator Hickenlooper, and the move of the previous question by Senator Morse, that the motion might be acted upon, the motion, as amended, was approved by voice vote.

For record of proceedings, see the official transcript.

[The committee adjourned at 12:30 p.m.]

UNITED STATES FOREIGN POLICY

WEDNESDAY, JANUARY 14, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATION,
Washington, D.C.

The committee met, pursuant to call, in the committee room, United States Capitol Building, at 10:05 a.m., Hon. Theodore F. Green (chairman) presiding.

Present: Chairman Green, Senators Fulbright, Sparkman, Humphrey, Mansfield, Morse, Long, Wiley, and Aiken.

Also present: Major General C. J. Hauck, Jr., Office of the Secretary of Defense; Captain L. P. Gray, III, U.S. Navy, Office of the Chairman, Joint Chiefs of Staff; William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations; and John S. Hoghland, 2d, Deputy Assistant Secretary of State for Congressional Relations.

Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

STATEMENT OF HON. JOHN FOSTER DULLES, SECRETARY OF STATE

[This transcript was published in 1959 in heavily deleted form, for reasons of national security. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page numbers, in brackets, are to the previously published text.]

* * * * * * *

CONCERNS IN FRANCE AND IRAQ [P. 11]

Secretary DULLES. In the case of France, I spoke briefly in my prepared statement of the revival of France, which is very important and significant. One hardly gets anything for nothing in this world, and it is necessary that you have in mind that while there has been this extremely important revival in France, which has saved France from what seemed to be the brink of collapse or perhaps civil war, it has been purchased at the price of strongly increased nationalism. I expect we will have some complications and difficulties with President [Charles] DeGaulle and his government as a result of the rather extreme nationalistic point of view which they are now taking and which is already manifesting itself in some respects in some of the NATO matters.

The situation in Iraq is one which gives much concern. There is a tug of war going on there between the Arabian nationalists, primarily represented by the supporters of Nasser,[1] and the Communists.

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[1] Egyptian President Gamal Abdel Nasser.

In my prepared statement I referred to the fact that the eyes of the Arab leaders had been opened at last to the danger of Communism. That fact is being manifested in a number of ways by the substantial number of arrests of Communists which are occurring in the UAR, and the struggle for the control of Iraq. That is not a struggle in which the United States can usefully exert much of an influence, because it is primarily between the Communists and the Arab Nationalists. If we identify ourselves with the latter, that would weaken rather than strengthen their cause, and they do not desire that. So we are primarily observers. But it is a matter of profound concern to us.

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SITUATION IN KOREA [P. 11]

Secretary DULLES. The situation in South Korea is of considerable concern, because the governmental forces are using forcible measures to impose extreme security laws and to repress the opposition. It is hard to judge to what extent that is done with the knowledge of President [Syngman] Rhee. Our diplomatic representatives have approached Rhee several times about this, and he has professed to be personally ignorant about what was going on, saying if he had known about this he would never permit it.

Rhee is getting in a state of health which really disqualifies him from exercising the role of president, but he seems determined to hold on. His followers, to some extent, are taking advantage of the fact that he can now be made their tool, and are taking steps which can hardly be called democratic.

Yesterday, a newspaper photographer was seized at our Embassy and arrested. And the detention of all the opposition deputies when they passed this new law on security was a very highhanded measure. We are quite concerned about the situation there, and we asked our Ambassador, [Walter C.] Dowling, to come home for urgent consultation about that situation.

Those are current matters which I thought the committee would be interested in having comments about.

Thank you.

ADVISABILITY OF A SENATE RESOLUTION ON BERLIN [P. 11]

The CHAIRMAN. Thank you very much, Mr. Secretary. If for any reason you think it inadvisable to answer our questions, I hope you will be frank in saying so.

May I start off by asking you a question? Because I am particularly interested in Berlin, having been there from time to time for several years of my life, and having been a student there, I am asking you this question.

Would a strongly-worded Senate Resolution or Joint Resolution expressing sympathy and full support for the people of Berlin in their present struggle with the forces of the Soviet Union be helpful and appropriate at this time? Such a resolution could be drafted to support the views of the President and the Secretary of State, and I would be very glad to introduce it.

Secretary DULLES. Mr. Chairman, we have given thought in the State Department to the desirability of such a resolution. I would say this: If such a resolution, either as a Senate Resolution or as a Joint Senate Resolution, could be adopted with virtual unanimity without getting into such complicating problems as what we might do and what the program is, then I think it would be helpful. It would not be helpful if it led to divisive argument in the Congress.

You gentlemen are the best judges as to whether a simple resolution of the kind you suggest can be adopted and put through without there being divisive debate.

The CHAIRMAN. If this were the case and it could be so done, would it be helpful to the Administrations' attitude now?

Secretary DULLES. It would be particularly helpful, Senator, in that there is not any adequate understanding abroad of the possibility of a bipartisan or non-partisan foreign policy. There is a feeling that with the Executive being Republican and with the Congress being so predominantly Democratic, we are bound to be in a condition of stalemate where we cannot act effectively. And I am amazed at the fact that foreign political leaders who ought to know better, still do not understand that we can have a united foreign policy even though the control of our Government is divided.

Anything which demonstrates a united foreign policy would be helpful as a general proposition, and, of course, particularly in relation to Berlin.

So if it can be done in a spirit of unanimity and without getting into divisive debate, it would, I think, be extremely helpful. But you will have to judge whether it can be done in that way.

The CHAIRMAN. Well, another question in relation to Berlin: In order to make sure that the Soviet Union knows that the American people are united in our attitude toward Berlin, do you think it might be helpful and appropriate if the Senate would pass a resolution, couched in terms of the NATO communique of December 16 on Berlin or in terms of what alternative courses of action would be open to the United States and its allies in the event that the East Germans are given control of the Soviet portion of Berlin, and attempt to block the western access to the city?

Secretary DULLES. I would doubt that it would be desirable to have a Senate Resolution dealing with the question of what measures might or would be taken on various hypothetical contingencies. There are so many hypotheses, and such a need of reaching agreement with the West German authorities—the British, the French and ourselves who are in Berlin, and also other NATO countries are involved—that getting into details of that kind in a Senate Resolution would be unwise.

I would think if any resolution were passed, it had better be limited to the kind of a resolution that you first spoke about, a general resolution of support of the position of Berlin, and determination that West Berlin shall remain free, and so long as necessary, under the joint protection of the three Western powers who are there.

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RELATIONS BETWEEN COMMUNIST CHINA AND THE SOVIET UNION [P. 13]

There are struggles within the Kremlin as to who is going to rule, whether it is going to be Bulganin or Malenkov or Molotov or Beria,[2] but those struggles all take place within the context of the same basic philosophy. Whoever comes out on top still carries forward, at the present time, the basic program of International Communism.

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[2] Former Soviet Premiers Nikolai Bulganin and Georgi Malenkov; former Foreign Minister V. M. Molotov; and former chief of the Soviet secret police, Lavrenti Beria.

So while you could very well have a struggle between, say, Mao Tse-tung and Khrushchev as to who would be the ideological leader of International Communism and have the primary voice in formulating its doctrine and creed, I do not think that there will be the typical national struggle within China and Russia until that situation is changed.

I believe it will change, but it may be a matter of 10, 20, or 30 years. In other words, I see no early prospect of a division there which would be helpful to the West.

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MR. MIKOYAN'S VISIT TO THE CAPITOL [P. 14]

Senator MORSE. If the Senator from Wisconsin would permit me to supplement his remarks, I think it would be wonderful if we carry out Senator Green's suggestion and pass that resolution before Friday, which I think we could do without one single dissent. I think that would be the best way to welcome Mikoyan[8] Friday.

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ATTITUDE OF THE REPUBLIC OF CHINA [P. 15]

Secretary DULLES. The question of the status of the offshore islands from the standpoint of their being a seat of provocation has been carefully considered. I do not think they will be an area of provocation, and I know that consideration is being given to the military deployment there.

What the outcome of that will be I am not in a position to say at present, but that matter is under active review by the Republic of China.

CONSEQUENCES OF U.S. RECOGNITION OF COMMUNIST CHINA [P. 15]

Senator FULBRIGHT. Is it fair to say that these were tactical moves and they do not indicate any basic change in policy toward Red China?

Secretary DULLES. I would think that that would be the fair way to put it. As I pointed out several times, Senator, the holding of the free world position around the China mainland is a task of great difficulty for us. It is quite different from the situation in Western Europe where you have depth, solidarity, contiguity, a high degree of economic, industrial development, and long-established military traditions. You have something solid and dependable to build upon there. We have built upon it in terms of NATO.

In the Far East, there are a series of disconnected insular and peninsular positions. You have the Aleutians, which we have. Now, the Kuriles are in the hands of the Soviet Union; you have Japan, Korea, Okinawa, Formosa, the Philippines, Southeast Asia, Vietnam, Laos, Cambodia, Malaya, Singapore, and on down around Indonesia, Australia, and New Zealand.

Every one of these positions is separated from the others largely by tradition, and to a considerable extent by geography. Each is in a vulnerable and exposed position. They are not able to help each other much. The only common denominator that supports that line is the bilateral support going out to each from the United States.

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[8] Soviet Deputy Premier A. I. Mikoyan.

*   *   *   *   *   *   *

That is what they openly say their aim is. They say, "You have no business having influence in this part of the world. Go back home."

Well, that would involve driving the security and the defense of the United States clear back to our western seaboard. We probably would try to hold Hawaii, but it would be a disastrous outcome. I am afraid that that would be, so far as I can now judge, the consequence of any basic shift in our China policy.

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PROGRESS OF FREEDOM VERSUS DICTATORSHIPS [P. 16]

Secretary Dulles. I think the statement is a bit ambiguous and subject to misinterpretation as regards the world as a whole, because there has been in some countries of the world, particularly in Asia, an apparent failure of democratic processes and a substitution of more autocratic processes. That has happened in Pakistan and Thailand. I referred to the fact that there is some tendency in that direction in the case of Korea. The same also might be said of Indonesia.

Senator Fulbright. Would you not include Burma?

Secretary Dulles. Possibly Burma.

In the case of some countries where the population is perhaps not sufficiently matured and educated, they may have started out with concepts of democracy which were a little bit beyond their ability to make them work. There is a shift away from that in several of the countries that you and I have mentioned.

Senator Fulbright. To make that list complete, the Sudan has also gone in that direction just recently, has it not?

Secretary Dulles. Yes.

Senator Fulbright. They have a military dictatorship which has taken over there.

Secretary Dulles. Yes.

SITUATION IN THE FAR EAST [P. 20]

Senator Sparkman. Mr. Secretary, I wonder if you could give us a word about the situation prevailing in the Far Eastern countries.

For instance, in Japan, is the Kishi government [4] firmly in control of things now?

Secretary Dulles. The authority of Kishi has been considerably weakened as a result of the way he tried to get the new police and security law. I think there is no doubt that there is very great need in Japan for the kind of law that he sought, because there is a degree of Communist infiltration into vital elements of the Japanese economy, labor unions, teachers' unions and the like, which the government is unable to deal with at the present time.

But he went about it in ways which were somewhat tactless and without perhaps adequate consultation with his party leadership, as a result of which his position has been considerably weakened.

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[4] Premier Nobusuke Kishi was appointed to head the Japanese cabinet on February 25, 1957, and reelected the following year.

That is regrettable, because by and large Kishi has had views and policies which were strong and vigorous in support of the free world positions.

Senator SPARKMAN. I was going to ask you about Korea, but you said something about that.

What about the Indochina States of South Vietnam, Cambodia, and Laos? What is their condition, in a word?

Secretary DULLES. At the moment there is a situation of considerable uneasiness in all of those countries and of friction between them.

In Laos action was taken yesterday which I think strengthens the position of the government in an important way through the enactment of legislation which gives greater authority to the government.

There was danger of a military coup in Laos. I think that now that danger is over.

There is a threat of invasion from Northern Vietnam where they have intruded their forces, and that creates a difficult situation.

In Cambodia there is considerable unrest and dissatisfaction with the former King, Prince Sihanouk, and considerable friction has developed between Cambodia and Thailand.

There is difficulty between Vietnam and Cambodia about border problems and the like.

I would say that, on the whole, however, the situation is in good shape, and that the resistance over the years to the Chinese Communist attempts to subvert has been as satisfactory as we could reasonably have expected. The danger is not over, by any means, but in the case of Laos we were fearful that the arrangement that was made to incorporate the two Communist-dominated Pathet Lao provinces into the government would lead to the Communists taking over the government. That has not happened.

In Cambodia, so far Sihanouk has not gone over to the Chinese Communists. I think his visit over here helped in that respect. However, he is very vulnerable, and that is one reason why there is internal threatened action against him.

There is in most of these countries, as I indicated, an increased realization of the dangers of Chinese Communism, and in all of these countries, a very genuine effective movement to resist it. On the whole, the year has passed with less losses to Chinese communism than seemed at the beginning of the year a considerable likelihood. The danger is still there.

Senator SPARKMAN. I have a good many other questions I would like to ask you, but I will yield the floor for now.

The CHAIRMAN. Senator Humphrey, have you any questions?

THE BERLIN SITUATION

Senator HUMPHREY. Mr. Secretary, of course the question that is being discussed more and more every day because of its imminence and because of the potentialities of danger, is the Berlin problem, and I suppose in broader context the whole German situation.

I thoroughly concur with the suggestion that the chairman made a while ago about the resolution. I think it is an excellent idea, as well as what Senator Morse had to say about acting promptly on it before we have the Russian Deputy Premier here.

When we say that we should be firm about Berlin, which you, and the President, and some of us as legislators have said—and I think we have pretty much a meeting of the minds on this—and that we must fulfill our commitments to the people of West Berlin. What bothers me is this: What plans do we have to meet a situation whereby the Soviets would withdraw from Berlin?

I don't think we ought to underestimate the fact that they might do just that. What I mean is that the Soviets may very well turn over to the East German Communist regime the Soviet Union's responsibility in the West Berlin area.

What do we do then? What is our action to be?

Secretary DULLES. That is a question I am not able to answer at the present time, because it is a subject which is being actively considered at the present time among the British, the French, the Germans, and ourselves. We have a group which is studying what is called contingency planning, and we are considering various alternatives which might arise, and the action which we might take in the event of these different contingencies.

Under some circumstances, we might plan to ignore the representatives of the German Democratic Republic [GDR] and attempt to go through without recognizing their authority to require papers, documentation or exercise rights of inspection.

In other circumstances we might resort to an airlift. There has not been any agreement as to what we would do under all these different contingencies. It raises very difficult problems. We do not want to be the side that starts the shooting in these affairs. It is always undesirable to be in that role. And they might create obstructions by blowing up bridges, cutting down trees to block the roads, blocking canals, and things of that sort.

We are trying to review all those possibilities. The problem is not very different from the problem that was considered 10 years ago in the spring of 1948 when there was a blockade, and consideration was given to various measures which finally resulted in a decision to have the airlift.

It does not seem that an airlift today, while it might be of limited use, could again provide adequately for West Berlin.

West Berlin has, in the past 10 years, developed into a much more important city than it was at that time.

Senator HUMPHREY. Exactly.

Secretary DULLES. It has a big industrial business. Its employment depends on being able to manufacture goods. They make their part of the engines for ships that are being built at Hamburg and Bremen. You cannot do all that by an airlift, and to attempt it would engage such a large part of our air power that it would greatly weaken us in other respects.

So while an airlift probably could be a supplementary measure to be used to some extent, I think we are all agreed that the situation cannot be solved again wholly by an airlift.

Senator HUMPHREY. I want to say, Mr. Secretary, my comment was not a criticism. I am just deeply concerned about this because I am afraid there is some public misconception. On the basis of what you have tried to explain here, this is like it was 10 years ago, when in fact it isn't like it was 10 years ago.

Secretary DULLES. No.

Senator HUMPHREY. Somebody told me that even 10 years ago in the airlift there was a Russian officer in the control tower that helped in guiding in American planes. The situation, if the Russians would pull out now, would leave no contact with the Russians, insofar as we are concerned, in Berlin, and we would be confronted by the possibility of the East Germans jamming radars and really taking action.

Secretary DULLES. The Soviets could have disrupted our airlift in 1948 if they had wanted to. They didn't want to push matters that far.

Senator HUMPHREY. Yes.

Secretary DULLES. They could certainly do it today.

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WAYS TO ACHIEVE GERMAN REUNIFICATION [P. 21]

Secretary DULLES. I was asked whether or not German reunification could, in my opinion, be brought about other than through free elections, and I gave what I think is the only possible answer, that it is possible to conceive of reunification by other means.

I do not have in mind, actually, any other means than free elections, because that seems to me the logical way, and as I pointed out, it is the agreed way. We agreed with Bulganin and Khrushchev at Geneva in July of 1955 that the reunification of Germany should be effected by free elections, and that is the agreed formula.

But it would not be possible to say that conceivably there could not be reunification by other means. We all know that reunification in other areas has been accomplished by other means.

The unification of our States into the Federal Union was not accomplished by free elections. It was accomplished by legislative action of different States. There was a reunification in 1865 that was not accomplished by free elections.

Nations or areas can adhere to another state without there necessarily being an election. We did not have an election in the United States to decide whether Alaska would join or not. There was an election in Alaska, but there was not an election in the rest of the United States, and from the theoretical standpoint, one can conceive of other means whereby Germany might be reunified and it is conceivable that some other method might be worked out, but I do not have in mind at the present time any other method, and I think that one of the dangers of a press conference is that a remark of that kind is sometimes built up out of proper proportion. I think this has been built up out of proper proportion because we could not, at the present time, contemplate abandoning the concept that the free and proper method in this case is by elections.

Senator HUMPHREY. I think your comment was constructive. I think it gave us a little more maneuverability, particularly before Mikoyan's visit with you.

Secretary DULLES. I think it may stir the situation up a little in a useful way.

There has been a tendency to have too great rigidity within the Federal Republic on some of these matters, and I believe that given the fact that according to all the evidence, 80 to 90 percent of the people of East Germany are against the present form of government, there should be an opportunity to work out reunification by capitalizing upon that fact peacefully, with perhaps a greater imagination and flexibility than has so far been evidenced.

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DRAFT RESOLUTION ON BERLIN [P. 25]

The CHAIRMAN. Mr. Secretary, may I read you a draft of a resolution which we will propose and ask you whether it will be helpful?

Secretary DULLES. Yes.

The CHAIRMAN.

> Resolved, That with respect to the threat posed to Berlin, the Senate fully supports the proposition set forth in the North Atlantic Treaty Organization communique of December 16 that "The member states of the North Atlantic Treaty Organization could not approve a solution to the Berlin question which jeopardized the right of the three Western powers to remain in Berlin as long as their responsibilities require it, and did not assure freedom of communication between that city and the Free World."

Secretary DULLES. With respect to the threat posed, perhaps it might be said, "to West Berlin."

The CHAIRMAN. Yes, all right, "to West Berlin."

Senator MORSE. Mr. Chairman, may I ask the Secretary a question about this resolution?

The CHAIRMAN. Certainly, provided the Secretary is willing to answer.

Secretary DULLES. Certainly.

Senator MORSE. It is for him to decide. I think this is fine, but I think it could be strengthened, because here is an opportunity, with Mikoyan in the country, in view of what the Secretary reported to us this morning, about his not seeing how we can go ahead with our foreign policy with this partisan split in the Congress. Can't we get some language in here in which the Senate fully supports the position of our administration as set forth in the proposition of the North Atlantic Treaty Organization? I mean, can't we get some language in here that shows that we, on this issue, are backing our administration? That is a direct answer, it seems to me, to his comment to the Secretary.

Secretary DULLES. Thank you. I think that would be excellent.

Senator MORSE. You will get it, and get it without a dissenting vote, and you will strengthen the hand of the President and the Secretary in these conferences with Mikoyan.

The CHAIRMAN. Well, Mr. Secretary, what do you think about the desirability of that?

Secretary DULLES. I would welcome that.

The CHAIRMAN. Thank you very much.

With that one change, put in "West Berlin."

Secretary DULLES. And the suggestion of Senator Morse.

The CHAIRMAN. I do not know exactly what that wording would be. Did you wish to add something?

Senator MORSE. I made this suggestion, and I am not wedded to it: after the word "proposition," add the words "of the Administration of our Government as set forth in the North Atlantic Treaty." It seems to me that——

Secretary DULLES. Fully supports the position of the Executive.

Senator MORSE. That is right.

The CHAIRMAN. "Of our Government." Insert those words.

Senator MORSE. "The Executive of our Government."

Secretary DULLES. I would say "the Executive," because Congress is part of the Government.

The CHAIRMAN. "Of our Executive."

Senator MORSE. I would say "The Executive of Our Government."

Secretary DULLES. That is right.

Senator MORSE. "The Executive of our Government," so they won't think we are talking about some other executive.

The CHAIRMAN. "Set forth by the Executive of our Government."

Secretary DULLES. Wouldn't it be better to say "position" if you do that, Senator, instead of "proposition"?

Senator MORSE. Yes, the "position," instead of "proposition."

Secretary DULLES. I think that would be fine.

Senator MORSE. I hope, Mr. Chairman, everyone on this committee will have an opportunity to co-sponsor it, because I think unity within our committee would be helpful, too.

Secretary DULLES. Am I excused, Mr. Chairman?

The CHAIRMAN. Mr. Secretary, we want to thank you heartily. You have been very patient.

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[Whereupon, at 12:05 p.m., the committee adjourned.]

MINUTES

THURSDAY, JANUARY 15, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 4:30 p.m. in Room F–53, Capitol.

Present: Chairman Morse, Senators Sparkman, Hickenlooper, and Aiken.

Roy Rubottom, Assistant Secretary of State for Inter-American Affairs, briefed the subcommittee on the Cuban situation.

No record of the proceedings was kept.

UNITED STATES FOREIGN POLICY

FRIDAY, JANUARY 16, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, in the old Supreme Court Chamber, United States Capitol Building, at 10:10 a.m., Hon. Theodore Francis Green (chairman) presiding.

Present: Chairman Green, Senators Fulbright, Sparkman, Morse, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Aiken, and Capehart.

Also present: Major General C. J. Hauck, Jr., Office of the Secretary of Defense; Captain L. P. Gray, III, U.S. Navy, Office of the Chairman, Joint Chiefs of Staff; and William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations.

Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

Senator MORSE. I would just like—and I am sure I speak for all of my colleagues—to extend an enthusiastic, warm, and cordial welcome to the new members of the committee, Senator Lausche and Senator Church.

The CHAIRMAN. I am sure it is not necessary for anyone to second that, because it is unanimously extended.

Senator LAUSCHE. I only hope your cordiality will be as deep when we leave as when we came.

Senator MORSE. It will be the same as it is on the floor of the Senate.

Senator WILEY. Mr. Chairman, as a lowly Republican, I want to join in that welcome and say that I think their vision and their judgment will add considerably to the balance of the committee.

PURPOSE OF HEARING

The CHAIRMAN. The meeting will please come to order.

Our hearing this morning has been arranged in response to my letter of December 16, 1958, to the President of the United States. In that letter I asked that the committee be supplied with information "concerning the state of our military defenses." I asked that information on the state of our defensive strength be related to the potential defensive responsibilities of the Army, the Navy, and the Air Force.

Arrangements have been made for testimony at this meeting by Secretary of Defense McElroy, and by the Chairman of the Joint Chiefs of Staff, General Twining.

I call the attention of the members to the fact that this is an executive session. Much of the information which is to be given to us relates to the highest security matters and could not be made public without jeopardizing the national interest.

I anticipate there will be opportunity to question the witnesses after they have completed their presentations, and gentlemen, will you now proceed in your own way.

STATEMENTS OF HON. NEIL H. McELROY, SECRETARY OF DEFENSE, AND GENERAL NATHAN F. TWINING, USAF, CHAIRMAN, JOINT CHIEFS OF STAFF

Secretary McElroy. Mr. Chairman, and members of the committee: It seemed to General Twining and me, as we were planning this presentation, that inasmuch as the committee wanted a military appraisal of the United States Forces in relationship to the Communist threat, it would be the better use of the time of this committee for there to be no formal statement by the Secretary, and that we go immediately to the statement which has been prepared by General Twining.

Both he and I will be here at the conclusion of his statement for any questions that you may want to direct to us.

The Chairman. General Twining, will you proceed, then?

General Twining. Mr. Chairman, and distinguished members of the committee: It is my privilege to appear before you today to present our best estimate of the silent Soviet military threat to our country, together with a review of our capabilities to counter this threat.

STRENGTH OF U.S. ARMED FORCES

I believe that the strength of our Armed Forces today is sufficient to cause the Soviet leaders to realize that an attack upon us would result in unacceptable damage to their homeland.

At the same time, the strength of our Armed Forces is not sufficient to enable us to relax in our planning for the future. There can be no doubt that Soviet Russia is making significant progress in improving her capability. We are, too. We intend to continue to improve our capability. Our rate of improvement is that best calculated to ensure the survival of the free world.

STRATEGIC MILITARY POLICIES

The basic objective of the United States' national policy and our strategic military posture is the preservation of our American way of life, our nation, our people, and our fundamental values and institutions.

To that end, two important strategic military policies have been developed. They are:

One, to deter general war by maintaining military forces of sufficient strength to prevail in general war.

Two, to deter Communist limited aggression, or to defeat such aggression in a manner best calculated to keep hostilities from flaming into general war.

The Joint Chiefs of Staff have the basic national objective and these two policies in mind when we develop our recommendations for the design of the strategic military posture of the United States.

Three. From the basic national objective and strategic military policies we derive our military objective.

To attain these objectives, we have developed programs which make up our recommendations for the design of our strategic military posture.

These programs are designed to provide, first, a nuclear retaliatory capability adequately safeguarded and ready for immediate action. Second, an adequate continental defense system, highly mobile and suitably deployed, ready forces with the capability to respond selectively and flexibly to local aggression; to use conventional or nuclear weapons as may be required, and to carry out assigned general war tasks.

Four, a capability to maintain control of essential sea areas and air communications.

I request that you keep these four objectives in mind as we continue to examine our posture, and compare it with that of the Soviet Union and the Soviet bloc.

Upon the completion of our examination and comparison, I will present to you an evaluation of our capabilities to meet these four objectives.

The threat to the United States.

The design of our military must provide our country with Armed Forces capable of countering the basic threat to the military security of our Nation. If we had in our possession at all times current and accurate intelligence information describing fully the components of the basic threat, the task of designing our strategic military posture would not be difficult. But we do not have that information. The world has not devised an intelligence system capable of cranking out all the information desired or expected by those charged with the security of the Nation.

Although our intelligence system is improving steadily, we must appreciate that we have not attained the desired degree of perfection.

As I proceed, I shall try to indicate the reliability of our information.

THE BASIC THREAT TO U.S. SECURITY

First, I would like to turn your attention to what we believe is the basic threat to the security of the United States, and then discuss the military components of this threat.

I believe the significant and basic threat to the security of the United States and the free world is the implacable hostility of the Soviet and Chinese Communist regimes toward the United States and the free world, and the aggressive program of international communism to obtain a Moscow-dominated, Communist controlled world. In Communist eyes, it is absolutely vital that the U.S.S.R. and the Sino-Soviet bloc possess military strength sufficient to guarantee their own security and to back-stop this expansion.

In discussing the military components of the basic threat, I have chosen to talk first on the Soviet weapons system capable of nuclear delivery, and then deal with other Soviet major capability.

SOVIET ICBM THREAT

The Soviet intercontinental ballistic missile threat is probably first in your interest at this time.

Last year our intelligence estimates indicated that the Russians would have an initial operational capability with 10 prototype intercontinental ballistic missiles sometime between mid-1958 and mid-1959. Now, we believe that developments in the Soviet ICBM program have not proceeded as rapidly as had been estimated. Our most recent intelligence estimate indicates that the Russians will probably attain a first operational capability with 10 prototype intercontinental ballistic missiles at some time during calendar year 1959. The U.S.S.R. might have established a limited capability with comparatively unproven ICBM's in 1958, but we consider this unlikely.

We estimate, however, that it is possible for the Soviet Union to attain an operational capability with 100 ICBM's sometime in calendar year 1960, or the first half of 1961; and with 500 ICBM's sometime in calendar year 1962, or possibly as early as 1961, depending on the priority and degree of success of the test, production, and development program.

These numbers do not represent an estimate of a probable Soviet requirement in the stockpile, or the numbers they will have. They do represent only an estimate of what the Soviets could produce and deploy.

We have not changed our belief that the Soviet planners intend to acquire a sizable ICBM operational capability at the earliest practicable date.

We do not, however, have sufficient evidence to estimate or predict the number of ICBM's which the Soviets intend to produce or their planned rate of operational deployment.

We do know that the Soviet test firings have not proceeded as rapidly or as regularly as we think will be required to develop early operational capability.

Solely for the purpose of demonstration, and without having any firm intelligence on the proposed location of Soviet ICBM launching sites, I have selected a few possible sites and show on this slide the probable performance of this Soviet intercontinental ballistic missile.

We don't know where their sites are, if they have any, but these are ones we have chosen.

CIRCULAR ERROR PROBABILITY

When it first becomes operational, the Soviet ICBM system will probably be capable of delivering a nuclear payload of about 2,000 pounds or more, with a yield of at least 500 to 800 kilotons, and to a maximum range of 5,500 miles, with a circular error probability [CEP] of about 5 nautical miles, and a reliability of about 50 percent after the missile is launched.

Senator HICKENLOOPER. Excuse me, General Twining, CEP of what?

General TWINING. Five miles.

Senator HICKENLOOPER. What did you say the initials CEP stand for?

General TWINING. In other words, a 5-mile circle. You draw a circle 5 miles around the target. That means if you have a circular area of 5 percent, half the bombs would hit in there; that is your circular area.

Senator LAUSCHE. Exactly what do the letters stand for, CEP?

General TWINING. Circular Error Probability.

Senator HICKENLOOPER. We did not hear the word "probability."

General TWINING. To be exact, if you launched 100 missiles, got them in the air, 50 percent of them would get in the general area of the target, which would mean out of 50 of the 100, only 25 would hit in that 5-mile circle; 25 of the 100 would hit in the 5-mile circle.

We should bear in mind this slide is merely for purposes of demontration and depicts a possibility as to launching sites, not a firm estimate of their location.

Furthermore, we should not overlook the operational problems that are faced by the Soviets in attempting to fire full-scale missile salvos against us. It is enough to state here that such problems add considerably to the complexities of launching such an attack.

700-MILE MISSILES

I should like to talk now about the Soviet medium-range ballistic missile threat, consisting of two operational surface-to-surface ballistic missile systems in the 700 and 1,100 nautical mile range. Once again, solely for the purpose of demonstration, and without any attempt to show the actual location of launch sites, I indicate on this slide a few possible sites and the range capability of these missiles.

On this group the 700-nautical-mile missile is believed to be operational. You can see that this missile could reach much of the Eurasian land mass, Japan, and the tip of Alaska from launching sites within the Soviet Union.

We have not identified any Soviet units equipped with these missiles. We estimate that the Russians now have available for operational use a few 1,100-nautical-mile missiles. As the range is extended to 1,100 nautical miles, target coverage is expanded in the same area.

OPERATIONAL PROBLEMS OF A SURPRISE ATTACK

At this point it is appropriate to try to visualize the operational problems facing the Soviet planners in carrying out a surprise missile attack.

The number of missiles to be launched in a surprise attack is a function of the number of launchers, the launch facilities' sophistication, and the overall system reliability.

On this next slide you can see that if the Soviets are to attack the extreme portion of Western Europe, the very tip of Spain, Great Britain, and Egypt, and the coastal area of Morocco, using medium-range missiles, the launching facilities must be either constructed in satellite territory or brought into satellite territory in mobile mount.

The sea-launched missile threat rests in the capability of the Soviet Navy. On this slide I show several possible launch points which a Soviet submarine might reach, come to the surface and fire. Once again, these points are picked solely to demonstrate the range of the missile.

Last year our estimates indicated that the Russians could have had

10 submarines equipped with surface cruise type subsonic and supersonic air breather type of missiles with a range of 500 nautical miles.

MISSILES LAUNCHED FROM SUBMARINES

Senator MORSE. I do not like to interrupt, Mr. Chairman, but maybe it would save time if we did for quick questions.

Do you know whether or not there is any submarine built that is capable of launching such a missile?

General TWINING. We think they have built one. I will take care of that in just a second.

Our intelligence estimates have been revised. We now believe that the Soviet Navy is able to launch only subsonic cruise type missiles from only a few converted submarines of conventional design.

We also believe that these missiles have a 200-nautical-mile range when launched from a surface submarine, and not 500 miles, as we estimated last year.

Although there is little direct evidence of submarine-launched missile development in the U.S.S.R., we estimate that sometime between June 1959 and June 1960, the Soviet Navy could employ 5 to 10 submarines to launch these 200-nautical-mile cruise type missiles with nuclear warheads against coastal targets of the United States.

We also believe that further development of Soviet submarine-launched missiles will be in the ballistic category. In the period 1961 to 1963, a 1,000-nautical-mile ballistic missile will probably be available for first operational use in a prototype submarine of a new design.

Once again, this overlay is used only to demonstrate the range performance of the missile. First positions shown are possible locations.

I believe you will be interested in knowing that computations based upon these estimates indicate that a substantial number of missile-launching submarines would have to be prepositioned off our coast to produce a serious blow to our retaliatory forces. Once again, the Soviet planner is not free of the complex operational problems inherent in coordination of missile attack.

SOVIET VIEW OF U.S. RETALIATORY CAPABILITY

This concludes my discussion on the Soviet missile threat. I want to speak now about the Soviet Air Force.

I believe the Soviet planners view the United States nuclear retaliatory capability as their prime target. They must design their attack to prevent the launching of our long-range striking force. Failure to do so would result in unacceptable damage to the Soviet Union.

The Soviet manned bomber threat, made up of long-range and medium-range aircraft and tankers, is a primary threat to survival of our own nuclear retaliatory force. Today there are no more than 100 to 125 heavy bombers and an estimated 950 Badger medium bombers in the Soviet long-range air force. To attack North America during the period June 1959 to June 1960, when Soviet long-range aviation still consists primarily of a medium bomber force, the majority of the Soviet bombers would have to be on one-way missions.

This slide shows the performance of the Badger, their medium jet bomber, with a 10,000-pound bomb load.

From Arctic staging bases in Chukotski and Kola area we see arcs, representing the range of this aircraft. From Chukotski the Badger, when unrefueled, could not strike the United States on a two-way mission. It could on a one-way mission.

From Chukotski a Badger could strike the northwestern corner of the United States on a two-way mission, with one refueling. On a one-way mission with one refueling, Badger could strike deep into the United States from Chukotski, Tiski, or Kola.

The next slide shows performance of the Bear. This is a heavy bomber turboprop, with a 10,000-pound bomb load. Bear can strike targets anywhere in the United States from Arctic staging bases on two-way unrefueled missions. From interior bases, Bear can strike targets anywhere in the United States on two-way missions, but must be refueled.

At this point I would like to remind you again that they have no more than 125 Bear and Bison combined today.

The Bison performance is indicated on this slide. The Bison is a straight jet, like our B–52. From Chukotski Bison can attack targets in the Northwestern United States on a two-way unrefueled mission.

When refueled, Bison can strike anywhere in the United States from Chukotski on a two-way mission. From Kola, Bison must be refueled in order to strike targets in the United States, or engage only in one-way missions.

To place this threat in proper perspective, we should note that about one-fourth of the Badger force is believed to have a refueling capability. We should also be aware that the lack of substantial in-flight refueling capability is a definite limitation on the performance of the Soviet long-range air force.

There is also the problem of interception by U.S. fighters from our forward bases. Fighter interception can force the Soviets to conduct refueling operations from positions from which they cannot get the longest range out of their bombers.

VALUABLE STRATEGIC WARNING

Soviet long-range air force basing and base construction activities indicates that the home bases of the medium- and long-range bombers at present are not located in favorable positions with regard to an attack on the United States. We do know that the Soviet construction of Arctic air fields is still under way. We also know that the Soviet aircraft would probably be staged through these bases to attack North America. Therefore, we must keep in mind the fact that the Soviet long-range and medium-range bombers could, by judicious movement, attain a favorable deployment for an attack against us.

At the same time, a large-scale movement of this sort might provide us with very valuable strategic warning.

Their present deployment does threaten targets in Eurasia and on its periphery, many of which are of strategic importance to the United States and our allies.

SOVIET AIR DEFENSE SYSTEM

I want to discuss with you briefly the Soviet air defense system, because it does represent the threat to penetration by the United States manned bombers.

The Soviet air defense's capability consists of large numbers of fighters, anti-aircraft guns and missiles, and the accompanying early warning and control systems. We believe that the Soviet air defense radar system can detect manned aircraft at operational altitudes within 80 to 180 miles of the radar sites. Active air defense would depend primarily on the Soviet bloc fighter force of over 14,000 aircraft, most of which are high-performance jets.

Of this total, about 2,000 of the jets are all-weather fighters.

Surface-to-air guided missile installations are now operational in the Moscow area, and there is some evidence that they are under construction at Leningrad and other key installations such as Baki.

This concludes my discussion on the threat posed to the United States by the Soviet nuclear delivery and air defense system. I want to talk to you now about the threat posed by the other major Soviet bloc forces.

Between all-out nuclear exchange at one extreme, and subversive political activity at the other, lie a large number of military and quasi-military choices open to the Soviet expansionist aim. That is the twilight zone, and it is in that range of intermediate possibilities that we find the limited war threat which is so frequently discussed today.

APPRAISAL OF COMMUNIST FORCES

The threat posed by the Communist armies, with supporting tactical air forces, and by the Communist navies, with supporting naval aviation, cannot be isolated and walled off by the threat posed by the Soviet nuclear delivery system. This threat, inherent in the Communist ground and sea forces, is ever present, regardless of the degree or character of hostilities in any world situation.

If we look to Western Europe, 25 Soviet divisions, positioned in European satellites, and 62 satellite divisions constitute the immediate ground offensive threat.

In the Far East, the U.S.S.R. has about 31 line divisions, to which must be added 123 Chinese Communist divisions, and 18 North Korean divisions. Soviet ground forces in Western Europe and the Far East alone, or in conjunction with bloc ground forces, could attack without reinforcements from major units positioned in the Soviet Union. Tactical air support would be provided by light jet bombers and jet fighters; short-range surface-to-surface missiles and tactical nuclear weapons are also available to support the ground operation.

In Western Europe and the Far East, the Soviet Union could mount initial airborne operation assisting personnel and light equipment in support of ground attack.

In the Far East, initial seaborne attack for the purpose of seizing port facilities could be undertaken by lightly equipped troops landed from a mixed group of ships and craft. Balanced forces equivalent to 5 or 6 divisions could be embarked in a follow-up operation and landed through the port facilities seized.

Airborne and amphibious attack on a small scale could probably be launched against Alaska.

In the Middle East, the Soviet Union has deployed ground divisions and tactical air forces capable of launching initial attack along the Turkish and Iranian border.

The Soviet capabilities for naval warfare are found in the world's second largest navy, consisting of strong surface and air forces, and in the world's largest submarine force of 443 submarines, of which 60 percent can conduct offensive operations in remote areas.

Soviet naval warfare could include extensive submarine operations to cut the world's strategic sea lanes, attack against the United States and allied carrier task forces by submarines and shore-based naval aircraft, operation in blocked coastal areas to deny western access to protect the seaward flank of a land campaign.

In short, it is estimated that the U.S.S.R. could interfere seriously with the United States and allied sea communications in the event of war.

POINTS OF EMPHASIS

In summarizing the threat posed by the military strength of the Soviet Union, I would like to emphasize the following points:

1. Implacable hostility of the Soviet and Chinese Communist regimes toward the United States and the free world.
2. The Communist goal of a Moscow dominated, Communist dominated world.
3. The Soviet aim to achieve a clear military superiority over the United States.
4. The apparent Soviet intent not to deliberately initiate a general war now.
5. The apparent Soviet belief that their great conventional strength and their growing nuclear capabilities enforce caution on the United States.

U.S. DETERRENT AND RETALIATORY POSTURE

I would like to turn to the deterrent and retaliatory posture of the United States.

In our discussion up to this point I have covered the basic objectives of our national military program. I pointed out the various threats which influence the design of our strategic military posture. Now I would like to talk about the product of our work, the Armed Forces of the United States.

I know that Members of Congress are aware that the United States places some calculated degree of reliance upon the flight offense systems. We should keep this policy in mind as we go on to take a detailed look at our own forces.

First, I want to make a brief and general remark concerning the composition, and then I will treat in detail those forces charged with the task of nuclear retaliation. Then I will cover the contribution made by our forces not charged with the task of nuclear retaliation.

The deterrent effort and the retaliatory capability are not contained in any one segment of our total forces. Our deployed land, sea and air forces play a significant role in this portion of our strategy.

Let's look now to the composition of our forces capable of nuclear retaliation. In my discussion of the threat, I touched upon the missile capability of the Soviet Union, and I would like to follow that same pattern.

U.S. ICBM SYSTEM

Our own intercontinental ballistic missile effort currently rests on the full development of the Atlas, Titan, and Minuteman weapons system.

Atlas is here now. As you all know, it spectacularly completed a full-range test not long ago, and Atlas is in orbit around the Earth today.

Our first squadron of Atlas missiles will be at Vandenberg Air Force Base, and three will be on the pad ready to fire at targets within the Communist world prior to July 1, 1960.

Atlas will deliver a thermonuclear warhead of approximately 1.5 megatons to a minimum range of about 5,500 nautical miles.

This slide shows the capabilities of the Atlas intercontinental ballistic missile system against targets within the Sino-Soviet bloc. Atlas can strike targets anywhere in the Soviet Union and China. Our selected launch sites are those at which our Atlas squadrons will be based, Warren, Offutt, and Vandenberg.

By 1962 we expect to have operational nine Atlas squadrons with a total of 90 missiles in position, ready to go.

I would like to make a correction here. I will read this sentence again. Our first squadron of Atlas missiles will be at Vandenberg Air Force Base, California, and three will be ready to fire at targets within the Communist world prior to July 1, and I said "1960." It should be "1959."

Secretary McElroy. I think that is very important, and we had better go back and pick that up. That is this year, July 1, we expect to have three Atlas missiles.

Senator Sparkman. By the way, Mr. Chairman, while we are on the subject of Atlas, is there any late report on the Atlas firing last night?

Secretary McElroy. We do not have the final on it, Senator Sparkman.

MISSILES OR SQUADRONS?

Senator Kennedy. Did you say three missiles, or three squadrons? You said three missiles, did you not, by mid-1959, and nine squadrons by 1962.

General Twining. That is right. Each squadron has 10 missiles.

Senator Fulbright. Is that three squadrons of missiles in 1959?

General Twining. No, just three missiles will be on the pad, ready to go.

Secretary McElroy. This is a substantial improvement over what had been expected, Senator Fulbright. This simply means we will have the beginning of the first squadron in place before the end of this fiscal year.

PERCENTAGE THAT HIT THE TARGET

Senator Fulbright. What was the reliability, 56 percent, you mean hit its target?

General Twining. Reliability?

Senator Fulbright. That is what you mean?

General Twining. This means 56 percent——

Senator Fulbright. Will hit its target.

General Twining. Yes.

Senator Lausche. General Twining, are the efficiencies of our ICBM and that of Russia substantially identical, the range 5,500 miles?

General Twining. That is right.

Senator **Lausche**. Their payload is 2,000 pounds; ours is 1,500.

General **Twining**. That is right. We believe they have at least a 500- to 800-kiloton warhead. We know we have a 1½-megaton warhead but we do not think they do.

Senator **Lausche**. They do not have that?

General **Twining**. No, sir, not yet.

Senator **Lausche**. The probable error was identical with them, is that right?

General **Twining**. We judge their capability to be about what we can do. I think we should give them that credit.

Senator **Lausche**. Our probability is better—theirs is 50 percent, and ours is 50 to 60 percent.

General **Twining**. I would say about the same. That is a pretty fine point. I think they are certainly as good as we are.

Senator **Morse**. I am a little confused on the percentage that will hit the target.

If I understood you correctly, out of 100 Russian missiles, 25 would get into that 5-mile circle and 50 percent of ours would get in.

General **Twining**. No, no. We have the same capability that they do.

Senator **Morse**. To use your hypothesis, then, out of 100 missiles, 25 of ours and 25 of Russia's would get into the 5-mile circle.

General **Twining**. That is right. In other words, out of 100 launched, 50 will get into the general target area, but only 25 will get into that 5-mile circle. We judge both to be the same.

Secretary **McElroy**. Senator Morse, this is a field which, of course, is very new for everybody.

Senator **Morse**. I understand.

Secretary **McElroy**. This will be greatly improved, but in the initial operation, we believe that is likely to be as much as you can expect.

Senator **Morse**. I understand.

The **Chairman**. General, will you proceed, and we will ask questions later.

MORE REFINED MISSILE SYSTEMS

General **Twining**. Titan, the other long-range missile, is an improved and more refined ballistic missile system expected to travel further, or carry a warhead appreciably larger than that of Atlas.

It is anticipated that Titan will be able to carry a 5-megaton warhead. The current plan for Titan is to have the first squadron of 10 missiles ready to fire in June 1961, building up to a total of 11 squadrons and 110 missiles by June 1963.

Development work has been under way for over a year to produce a solid fuel Minuteman ICBM system. Minuteman will augment, but not replace, the liquid fuel Atlas and Titan systems.

We expect to have two Minuteman squadrons consisting of 50 missiles per squadron operational by June 1963.

The United States intermediate-range ballistic missile range capability rests upon Thor, Jupiter and Polaris. As you know, Thor and Jupiter are land-based and Polaris is to be based at sea in fleet ballistic missile submarines.

On this slide, you see the performance of the Thor and Jupiter missiles based in England. I show also their performance as based in Italy, Turkey, Alaska, or Okinawa.

Thor and Jupiter, each with a 1,500 nautical mile range and about 1.5 megaton nuclear warhead, are planned for our NATO Allies. Thor missiles are being delivered to the United Kingdom. The British expect to have two squadrons of 30 missiles in place, ready to fire, by June of this year.

Two more squadrons are expected to be ready to fire in March 1960. One Jupiter squadron is ready for delivery to Italy. If present negotiations are worked out satisfactorily, the second squadron will be ready for deployment in August 1959.

We plan to produce a total of five Thor squadrons and three Jupiter squadrons. If our NATO Allies request more, we are prepared to consider requests not to exceed two more squadrons, subject to availability of military assistance funds.

SUBMARINE-LAUNCHED POLARIS MISSILES

On this slide, you see the performance of Polaris launched from a submerged fleet ballistic missile submarine. Launch areas are selected submarine patrol areas. The first submarine is expected to be operational at sea and ready to fire about September 1960.

Polaris is a solid propellant missile expected to be armed, ready to go on very short notice and capable of delivering a [deleted] warhead to 1,200 nautical miles.

Polaris is mobile and can roam the high seas, selecting the best positions from which to fire its missiles. The fleet ballistic missile submarine, loaded with 16 Polaris missiles, will have advantages of concealment and survival ability. These are advantages which do not give comfort to the Soviet planners, but they do add to our own deterrent effort.

Before we leave missiles, I want to mention our aerodynamic subsonic cruise-type missiles, the air breathers. The deployed Matador squadrons of the Air Force and the Regulus I cruisers and submarines of the Navy represent this capability in the 500-mile range. Snark is also an air breather in the 5,000-mile range. The Snark squadron is at Patrick Air Force Base now for operational surface testing, and is programed to deploy at Presque Isle, Maine. It is expected to be operational by June 1960.

MANNED BOMBER FORCE

We have reviewed the planned development of our missiles. Now let's take a look at the U.S. manned bomber force. I want to emphasize we have the manned bomber force ready, alert and capable of selecting prime targets throughout the length and breadth of the Sino-Soviet bloc.

The Strategic Air Command [SAC] has the final responsibility and capability for nuclear retaliation with its 28 wings of B–47 bombers, and 11 wings of B–52 bombers, with associated tankers in operational units.

The first B–58 squadrons will be in inventory in June 1960. The B–36 bombers will be phased out of the strategic program by February of this year.

To reduce vulnerability and increase the offensive potential of the Strategic Air Defense Command, dispersal and alert programs have been under way for some time.

Currently, the 33 squadrons in our 11 heavy bomber wings are located on 13 bases, an increase of three bases during the last year.

By July 1, 1959, an additional five heavy bomber bases will be operational. Our objective is to have each B–52 squadron and each B–47 wing on a separate base.

By July 1, 1959, we also expect that approximately 350 heavy SAC bombers with their associated tankers will be on continuous 24-hour, 15-minute alert.

As you all know, we have been emphasizing the dispersal and alert concept to meet the threat of a Soviet manned bomber attack and the developing intercontinental ballistic missile threat.

On the next slide, we see the performance of our B–47, B–52, and B–58 bombers from selected bases. I have indicated the range capabilities of the bombers, with and without refueling.

You can see that the B–47, operating from the United States without refueling, will be employed primarily against peripheral targets in the Soviet bloc territory. B–47's operating from the overseas bases without refueling and the refueled B–47's from the United States will be able to attack the most significant targets in western Russia and the Far East.

The B–58 supersonic bomber flies at the speed of mach 2, twice the speed of sound, and can fly 500 miles farther than the B–47. Recent tests indicate we will get even more range out of this new airplane.

The B–52, operating from bases in northwest and northeast United States, can, without refueling, attack all targets in the Soviet bloc with the exception of a triangular section in south central Russia. By refueling, the B–52 can cover all targets in the Soviet bloc area.

As you know, we have attached high priority to the development of a missile called Hound Dog air-to-air missile to be fired from this B–52. The Hound Dog is expected to carry a nuclear warhead at mach 2 to a range of about 500 nautical miles.

It will provide a means of attacking and destroying heavily defended target areas without subjecting the B–52 to the fire from the target area defenses. They can stand off 500 miles and fire in.

The manned bombers of the Strategic Air Command can attack all areas of the Sino-Soviet bloc. This fact is well known to the Kremlin, and is not overlooked by the Soviet planners.

NAVY CARRIER ATTACK FORCE

The attack carrier striking forces of the Navy possess a nuclear strike capability represented by the attack bombers in the embarked carrier air attack group. I show this although the primary characteristic of the attack carrier force is its ability to strike hard and fast in limited war.

The combat radius of the A3D Sky Warrior, when refueled, is about 2,000 miles.

The Sky Warrior is a primary delivery vehicle of the striking carrier forces, aided and augmented by the A4D and AD type carrier aircraft.

On this slide, I show the combat radius of the Sky Warrior aircraft assigned to carriers deployed in the Norwegian Sea, the Mediterranean and the Far East. The carriers are on station and ready now for any action in the Mediterranean and the Far East.

CONTINENTIAL AIR DEFENSES

I want to speak briefly about the continental air defenses. This system is a component of a deterrent and retaliatory posture. It is a necessary adjunct to the retaliatory forces which support the United States national policy of deterrence.

This slide indicates the principal forces and facilities of the Continental Air Defense System.

The capability of our forces to defend the United States against air attack has progressively increased. This increase results from the establishment of the North American Air Defense Command, the installation of additional early warning coverage, the seaward extensions of the Distant Early Warning Line and the contiguous seaward coverage, and the provision of more effective control of the air defense system through automation.

The first semi-automatic ground environment, our SAGE system direction center, is operational.

The increased ocean sound surveillance, the Navy's ISOSUS System, and the availability of improved weapons systems to include nuclear warheads.

Our highly successful Bomarc missile firing controlled by the SAGE system, together with the conversion from Nike-Ajax to Nike-Hercules surface-to-air misssiles, will increase the reliability and range of our air defense system's fire power.

The Nike-Zeus, the anti-missile missile, is proceeding on an accelerated research and development schedule as a matter of urgency.

The entire system is steadily improving our ability to obtain warning of a mass bomber attack and to provide at least tactical warning of intercontinental ballistic missile attack. The ballistic missile early warning system consists of three radar stations; Alaska, Greenland, and the United Kingdom are among those assigned the highest national priority. Alaska and Thule, Greenland, is under way. We expect the Thule system to be operational in 1961, and the one in Alaska to be operational in 1962. Funds for the third one, somewhere close to the shores of England, are in the 1960 budget.

U.S. COMBAT FORCES

Next, the combat posture of land, sea and air forces of the United States.

Lets turn now to the composition of our land, sea, and air forces, as distinguished from our long-range striking forces, and discuss their offensive potential, their contribution to be made to our deterrent and retaliatory posture, and their contribution to our limited war posture.

The United States' capabilities for local or limited war derive in large part from those required to deter and fight a general war.

The type of air and sea forces required to control the air and sea lines of communication in general war or in large-scale aggression in the Far East, in Southeast Asia, or the Mid-East, are also necessary for effective action against any smaller type aggressions.

Our Army, Navy, Marine Corps and Air Force are deployed overseas and our strategic reserves in the continental United States are a significant part of this deterrent effort.

These forces, together with the long-range striking forces, give us an overall combat posture designed to react effectively in cold war, limited and general war, in cooperation with friendly forces, and is calculated to prevent local aggression from spreading into a general war.

I want to sketch for you the overall capabilities of the Army, Navy, Marine and Air Force to respond to local aggression, using all weapons, including nuclear weapons, and to carry out general war tasks.

The next three slides will show major United States force deployments for July 1, 1959. These are essentially the same right now. Army forces have and are continuing to develop ready, fast-striking and hard-hitting fighting units.

ARMY DEPLOYMENT

Worldwide deployment increases the ability of the Army to apply the right amount of force to any troubled area as rapidly as possible.

All active Army divisions are now organized in the atomic pattern, capable of employing nuclear and non-nuclear fire power. The divisions are backed and reinforced by brigades, battle groups, armored cavalry regiments, missile commands, missile battalions, and a wide range of combat and service support formations.

It is noteworthy that in the tactical missile field the Army has a family of first-generation weapons designed to increase the flexibility, mobility and effectiveness of the nuclear fire support. These include the Honest John rocket, together with the Corporal and Redstone missiles.

The LaCrosse missile is soon to make its appearance, and then a second generation of solid propellant weapons, the Sergeant and the Pershing, are being developed to replace Corporal and Redstone.

The Strategic Army Corps, in strategic reserve in the United States, is now in a high stage of combat-ready development and is ready to move out rapidly by air or sea. Three divisions will help to make up this Strategic Corps in the United States. In the air defense field, the Army is increasing the number of its missile units, while at the same time converting the high-explosive warhead Nike-Ajax to the nuclear warhead Hercules. First units of the new Hawk missile for employment against low-flying aircraft will become operational this year.

A limited number of helicopter units have provided Army forces with increased battle mobility capability, and the new infantry and airborne divisions have been trimmed down in weight so that their air and sea transportability has been increased.

NAVAL MOBILITY

I have already described the contribution of the Navy's attack carriers and the missile ships and submarines to our deterrent and retaliatory posture. At the same time, we must remember that all U.S. Navy forces are specifically designed to maintain and control sea areas and to protect our sea lines of communications which are so vital to our existence as a leader of the Free World.

Increased nuclear capabilities and the high mobility of Naval task forces add materially to their fighting effectiveness.

Naval task forces on station in the Mediterranean, the Pacific, the Atlantic, and the Far East are ready and capable of moving rapidly to meet Soviet pressures.

Naval task forces specifically tailored to combat the Soviet submarine threat are at sea and working steadily to improve our overall capability in antisubmarine warfare.

A majority of our own submarines also have a strong capability in anti-submarine warfare.

Operating in conjunction with the Naval task forces are Fleet Marine Force divisions and Marine air wings equipped with an organic surface- and aircraft-launched nuclear capability.

These forces are capable of reacting rapidly to all forms of aggression. Marine forces are tailored for rapid sea and air movement. Advancement in helicopter assault techniques provides a high degree of mobility for Marine landing forces in assault and for follow-up operations.

AIR FORCE CAPABILITIES

Tactical air force units with atomic capability are employed and combat-ready worldwide to respond to general or local war or aggression.

In Europe, we have tremendous fire power available in 13 fully-manned and fully-equipped tactical squadrons. They are theater forces, and are ready. The same is true of our deployment in other areas.

Increased alert and dispersal, together with the deployment of Matador and missile squadrons, are continually improving the overall effectiveness and reliability of these units. In the United States, we have the composite air strike force of the Tactical Air Command. This force has demonstrated its readiness and mobility recently by its rapid deployment to Lebanon and Taiwan.

Our deployed tactical air forces place emphasis on rapid reaction time, short- and long-range mobility, and a capability to use atomic or non-atomic weapons, as the occasion may demand.

COMPARISON OF U.S. AND SINO-SOVIET FORCES

Last, a comparison of forces. I have a series of slides which present a numerical comparison of the Sino-Soviet bloc forces and the United States and allied forces. These slides will indicate force totals. The combined U.S.S.R. and Soviet bloc ground forces outnumber United States and allied ground forces by almost 2 million men.

As we are all well aware, the mere recital of numbers will not tell the entire story. The Soviet bloc and allied divisions are not equally effective, nor of the same size and composition. The political reliability, as well as the dependability, of the satellite divisions is questionable.

The naval force totals indicate that the Soviet and satellite forces still maintain fewer combat naval units than the United States and our allies. However, the significant points are the strength of the Soviet submarine force and the lack of aircraft carriers in the Soviet Navy.

The slide depicting total aircraft in operational units reveals that we are just about even. These figures include all aircraft in combat, transport and supporting type units. These figures do not include aircraft in training type units, but do include aircraft in reserve components which are combat-ready. In other words, these are the fighting air forces.

NOT OVERAWED BY NUMBERS

I think you will be interested to know that our intelligence estimates as of November 1, 1958, revealed that we have almost twice the number of transport aircraft in operational units as do the Soviets. But, let me emphasize that we must be cognizant of numbers, but not overawed by them.

The foreign and strategic policies of the Soviet Union which dictate the mix of Soviet forces are vastly different from the foreign and strategic policies of the United States.

I have pointed this out as we have moved along in our discussion, but I do want to reemphasize that these policies produce the differences in composition and numbers of military forces.

Numbers alone do not reflect the complete picture of capability. Twice in the past year we have had occasion to rely on capabilities of our own forces and the mix of these capabilities supporting a firm foreign policy proved to be adequate to deter general war.

FOUR STANDARDS OF EVALUATION

Now the evaluation. At the very beginning of our discussion, I indicated that I would present to you an evaluation of our capabilities to meet the four objectives after we had completed our examination and comparisons of Soviet and United States forces. My evaluation of our capability to meet these four objectives is:

First, our nuclear retaliatory forces continue to provide the United States with a margin of advantage which, if exploited effectively in conjunction with other military operations, would permit the United States and its allies to prevail in general war.

Second, improvements in continental defense continue to be made. However, I do not expect an air defense system absolutely capable of preventing an attack against the United States. We must continue to provide for an air defense system since this is a component of the overall deterrent.

Third, the ready forces of the United States are capable of responding to aggression. These forces have been quantitatively decreased, but qualitatively improved by further equipping forces with advanced weapons systems, including more nuclear weapons, and by improved organization, planning and techniques. The scope and timing of response to local aggression would be limited primarily by the degree to which maldeployment for initial tasks of general war could be accepted.

Fourth, the United States and its allies are capable of controlling essential air communications.

If general war should occur today, our capability to control essential sea areas would not be adequate. In spite of our continuing effort to effect improvements, such as attacks at the source, offensive antisubmarine operation and coastal shipping defense operations, the United States capability to control essential sea areas will improve.

Secretary McElroy. That concludes General Twining's presentation, Mr. Chairman.

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The CHAIRMAN. General, we are grateful to you for the prepared statement which you have submitted.

You have answered many questions that we had in mind, but not all. We would like to ask other questions individually, if you will give us the opportunity. I would suggest that those who have questions to ask be given an opportunity to do so, but that not more than 5 minutes be devoted to any one questioner, because we will have to terminate the meeting by 12:30. Is that agreeable to you?

General TWINING. Yes, sir.

The CHAIRMAN. I will call the roll and those who have questions to ask may be mentally preparing them.

I shall call on Senator Wiley first.

BASES IN SPAIN AND NORTH AFRICA

Senator WILEY. General, I noticed the developments in Spain. I also notice the insecurity of our air fields in North Africa. Do you want to comment about where they fit into the general picture of our defense?

General TWINING. Both the air bases in Spain and North Africa are most essential to our strategy, carrying out our attack against Russia, if it becomes necessary.

We need both areas, and I think we should do everything we can to hold them.

Senator WILEY. We spent a lot of money there. What I had in mind is whether you think we can retain them.

General TWINING. I am sure we can retain the Spanish bases. We may have difficulty in retaining the North African ones, but I think we should exert every means we can to hold them. They are very important.

Senator WILEY. Is it true as reported in the press, that if the present pace of development can be maintained, the Atlas ICBM will be ready for stationing on combat-ready launching pads by the middle of this year?

General TWINING. Yes. I think we said we would have three operational missiles ready to fire the first of July of this year.

Senator WILEY. On the launching pads?

General TWINING. Yes, sir.

ANY SHOCKS IN THE LOCKER?

Senator WILEY. I think in your opening statement you made it very clear that you cannot guarantee our information on what the Kremlin really has. This is the best we could get. Do you think they have any shocks in the locker someplace?

General TWINING. They may have. We don't think so, and I do not want to downgrade our intelligence because it is getting better all the time. But there is still room for improvement, and we would like to have more positive information. They may have something we do not know about.

Senator WILEY. Have they got information on everything you have told us here?

General TWINING. I do not think all of it, but a lot of it. They certainly do not know how we get our intelligence. We have to be very careful about that one. Anything that would disclose the way we get our intelligence would close up that source, and when we get an intelligence source, we must watch it very carefully. That is why it is so important not to talk about the things we know about Russia, because they stress that right away. If we close up a source, we do not get that information anymore.

SAVINGS IN THE MILITARY PROGRAM

Senator WILEY. With regard to the amount of money we are spending on defenses, is there any thought that we can get more for our dollar?

Secretary McELROY. Maybe that one should be directed to me. We do think that we will be able to get more value for our dollar, and I got into this a good deal in connection with the reorganization bill a year ago.

The principal way in which we look forward to substantial savings of funds, which I think may have been used in the past, is through improved direction of the entire Department's research and engineering program, which will be taken care of by the operation of the new office which was authorized in the reorganization bill.

In the past each of the Services, quite properly, has had its own development group which has been searching for ways to improve its own weapons capabilities.

However, this has not had the degree of guidance which would avoid the duplication which results from the multiple-service approaches to similar problems. We think that one of the major improvements in giving the taxpayer a better value for his defense dollar is through a single direction, an overall control of all of our research and engineering, so that two or three services will not be duplicating each other's work in developing these more modern weapons. We think this went on in the case of the missile program.

Senator WILEY. My 5 minutes are up, and I thank you, Mr. Chairman.

The CHAIRMAN. Senator Fulbright?

SOVIET OPTION FOR SMALL WARS

Senator FULBRIGHT. Mr. Secretary, could you tell me the relative pay of a private in the Russian Army as compared to one in our Army?

Secretary McELROY. Do we know what a private in the Russian Army is paid?

General TWINING. I don't know the exact figure, but it is very low, Senator.

Senator FULBRIGHT. Mr. Secretary, apparently we have the capability of destroying the U.S.S.R.; at least, we can severely injure them. Have you concluded that they are not likely to launch an all-out attack? Does it not seem clear, then, that the Communists must be calculating that their best chance to dominate the world lies in the use of small or local military actions, or non-military methods?

Secretary McELROY. Our view on that is that so far the Russian has concluded, which we think is correct, that there is not going to be a small war between Russia and the United States. Accordingly, he has avoided committing his own forces.

The conflicts that he has been stimulating around the world have involved forces other than his own, and while I am sure that he would like to see us dissipate our military resources in limited war situations, we are consistent in our response to local war actions, a war within the Joint Chiefs of Staff, and their Planning Section, that we must not degrade our ability to respond to a general war possibility by any response that we make to the limited war situation.

GENERAL AND LIMITED WARS

Senator Fulbright. Does that mean we will not respond to limited war situations?

Secretary McElroy. No, it does not.

Senator Fulbright. I am not clear what it does mean.

Secretary McElroy. It means we cannot retain our capability to deter general war while we are responding to a limited war threat.

To give you something specific, Senator Fulbright: When we have a limited war threat, the Strategic Air Command immediately is put on a more pressing alert status, on the assumption that the limited war threat may be a preliminary to a general war attack.

Senator Fulbright. But if there is a limited war, what happens? You do not send the Strategic Air Command in, do you?

Secretary McElroy. We have not. And I do not think that we would, although it is not completely outside the bounds of possibility for us to use some B-47's in a limited war situation. It depends entirely on how big it gets.

ADEQUATE GROUND FORCES

Senator Fulbright. It seems to me that if we are not to just give up and respond to a local war, we must maintain an adequate ground force, Army, infantry. Do you think we are retaining adequate ground forces for local attacks?

Secretary McElroy. I do, indeed. This, as General Twining has said, must be taken in the general context and framework of our alliances around the world.

It is quite apparent that our ground forces would never be in a position to meet those of the entire Soviet bloc.

However, as you are well aware, Senator, we have strong allies in the Far East. We have strong allies in the NATO area, and in all of these, the ground forces, and in the aggregate, are well in excess of our own.

We think the ground forces we have in the Army and in the Marines are adequate to take care of our requirements to deal with the limited war situations we visualize.

Senator Fulbright. Is it 870,000? Is it being cut this year by 30,000?

Secretary McElroy. The end strength at June is 870,000, that is right.

Senator Fulbright. Do you plan to cut it further next year?

Secretary McElroy. No, we do not. I would like to suggest that this information be held until the President's budget message comes out. But we do not propose to cut the Army forces next year.

Senator Fulbright. My time has expired.

The Chairman. Senator Hickenlooper.

UNREST IN CHINA

Senator Hickenlooper. I do not know to whom this question should be directed, but getting into more of the political, which is also a military phase, how about these stories we have read during these last 2 or

3 weeks, about alleged wide-spread revolts, if not unrest, in Tibet, in Mongolia, and within China itself? Does there seem to be some substance to those reports?

Secretary McElroy. There is no question that there has been substantial unrest in Tibet. The degree of unrest, we don't know precisely, but I don't think there is any question that there has been a revolt of fairly substantial proportions. We do not have any indications of any substantial revolt in China itself.

I do not know whether or not you had Allen Dulles come up before you. Do you expect to have him?

Senator Hickenlooper. Yes, I think he will be up in a few days.

Senator Fulbright. Next week.

Secretary McElroy. He will be able to fill this in considerably, Senator.

SCHISM BETWEEN CHINA AND RUSSIA

Senator Hickenlooper. Is there some reasonably hard intelligence on the question of whether or not there is a growing antagonism or schism of some kind between Red China and Russia?

Secretary McElroy. I do not think we have any evidence to indicate that.

Senator Hickenlooper. I think that is all, Mr. Chairman. If I have any time, I will use it later.

The Chairman. Senator Sparkman.

COST OF THE QUEMOY CRISIS

Senator Sparkman. Mr. Secretary, in response to a question Senator Fulbright asked about limited or local wars, you made reference, I believe, to the possibility of such type of wars to be used to dissipate our resources. That suggests to me one little incident. Take, for instance, the trouble over in the Formosa Straits, Quemoy. How much did it cost us to help the Nationalist Chinese hold on to Quemoy?

Secretary McElroy. Do you mean in terms of money?

Senator Sparkman. Yes, in round numbers.

Secretary McElroy. Of course, many of these units would have been operating anyway. I take it you are really thinking about an excess cost.

Senator Sparkman. Excess cost. Of course, the fleet was operating normally.

Secretary McElroy. But their costs were higher because they were steaming more hours. This is a kind of a wild estimate, but I think it could very well have cost $250 million.

Senator Sparkman. Did that come out of the regular military budget, or did it come out of the military aid program?

Secretary McElroy. Part of it came out of military aid, because a lot of additional equipment was delivered to Taiwan over and above what had been planned.

Senator Sparkman. Was that diverted from other programs, or did it adversely affect the military aid program in other areas?

Secretary McElroy. It had to come from other places because we had only a fixed amount of funds. It increased the expenditure for military assistance in fiscal 1959 above what we would have expected and desired.

It will come out of future years much more than this year, because this year was already planned and it reduced the carry-over of authority into 1960 and 1961.

Senator SPARKMAN. But to some extent, that is an example of how our resources can be dissipated by little brush fires.

Secretary McELROY. Oh, these are expensive, as are all military actions. It cannot be avoided.

SEPARATION OF MILITARY AND ECONOMIC AID

Senator SPARKMAN. Is there any thinking as to the separation of military and economic aid funds? Of course, that is discussed every year when our mutual security program comes up. As you know, this matter has been debated from time to time.

Secretary McELROY. My own view, Senator, has always been that I would like to see the military part of military assistance put right in with defense, and make Defense defend it.

There seem to be overriding reasons, or there have been in the past, for not doing so, but the decision has not yet been made on that position.

Senator SPARKMAN. I agree with your viewpoint on that. I think that we would get a much clearer picture of it if it were done that way, and I have always felt it would have a beneficial psychological effect in this country.

Secretary McELROY. I think it would be interesting to the country to hear the military leaders—and I am not talking about civilians, I am talking about the military leaders—defend this with the conviction they have about the importance of what I regard as our military effort.

Senator SPARKMAN. I certainly agree with you.

Mr. Chairman, that is all I will ask at this time.

The CHAIRMAN. Senator Aiken.

ALLIES NOT DOING AS MUCH AS EXPECTED

Senator AIKEN. General Twining, in referring to or in evaluating the capabilities of our ready forces, were you referring to the United States forces alone, or the United States forces in conjunction with the forces of other countries?

General TWINING. With the other countries.

Senator AIKEN. Have the other Western powers, as we call them, maintained a building of their forces at a satisfactory rate?

General TWINING. They are doing the best they can. They are having their own fiscal problems, like we have here. Of course, as military people, we would all like to see them do better, but I think in most cases they are carrying the load pretty well.

Senator AIKEN. In other words, they are not doing as much as you expected them to, and you did not expect they would?

General TWINING. That is about right.

DEFENSE OF QUEMOY AND MATSU

Senator AIKEN. Another thing that has intrigued me is this: When Quemoy and Matsu were threatened, could we have defended them against a determined attack from the Chinese mainland?

General TWINING. You mean the islands?

Senator AIKEN. Yes. Quemoy and Matsu.

General TWINING. It would be very difficult to do it, and it doesn't make much sense to defend them.

Senator AIKEN. What reason would you ascribe to failure of the Chinese Communists to take those islands when they had seemingly polarized them?

General TWINING. I don't know why they didn't.

Senator AIKEN. Is there anything to indicate that they lacked support from Russia at that time?

General TWINING. I don't think they would get it by the bombardment alone. The Chinese Communists would have to bombard them, use the airplanes and make a landing, and it would be a bloody operation.

Senator AIKEN. And they didn't know how expensive it would be.

General TWINING. That is right. I think they knew it probably would be very expensive, and they didn't try it.

RUSSIA MAY HAVE DISCOURAGED CHINA

Secretary MCELROY. I think they didn't know and neither did Russia. She didn't know how much the additional dimension would extend this conflict, because people like the Taiwanese were pretty well restrained in their response to this and did not go to the mainland, did not do many of the things they may have done which would really have provoked a big row. But if there had been a clear attempt on the part of the Chinese Communists to take those islands by force, I don't think you ever would have held it to the nearby area the way you did hold it by the exercise of restraint by the Chinese Nationalists, the Taiwanese.

Senator AIKEN. For that reason you might assume that Russia discouraged them.

Secretary MCELROY. I think Russia may have discouraged China, because one of the things that was, I think, interestingly demonstrated in the row for the Quemoy-Matsu complex was that conventional artillery is not very effective against prepared positions, nor against things like air fields. So what you think about immediately is the use of the kinds of weapons which are effective, and that again extends it to still another dimension of warfare, which not very many of the countries of the world want to get into.

General TWINING. I think the important thing about that whole operation, to me as a military man, is the rapidity with which we got our reinforcements out there. We had quite a force there, and the Russians and the Chinese knew it. I mean U.S. forces, and we got them there in a real hurry, and they knew we had our minds made up. This is what I mean by holding the limited war down. We got our people there and we got them there fast. You recall Khrushchev was talking pretty big before this happened, saying he was going to do all these things, back up China. But when he saw those U.S. forces piling in, his tenor changed completely. That was what we meant by getting in limited war forces fast and preventing these things from spreading, and I think this did have a great effect on Khrushchev.

Senator AIKEN. That is all, Mr. Chairman.

The CHAIRMAN. Senator Capehart is next on my list.

INFORMING THE AMERICAN PEOPLE

Senator CAPEHART. I have one question, and that is this: Do you have any plan—I am sure you have given thought to it—of how we can sell the American people on the seriousness of this threat and the eventual cost of it, and the fact that it may go on for many years? I think that our weakest position at the moment is that the people do not understand what we are trying to do, and do not realize the threat and the danger.

For this purpose, do you have any money, or any policy or plan for educating the people in a systematic and intelligent way?

Secretary MCELROY. Senator Capehart, we don't have any money that we set aside for that purpose.

My own belief is that it is the responsibility of the executive and legislative agencies of Government to carry any major public message to the people so they can understand it and make their own resolution to support public policies that will be required.

I know the President has tried to do it. I know the Secretary of State has done so. I think the Secretary of Defense has certain responsibility, and I would hope that you gentlemen would feel that you also would have some. But there is not any plan.

Senator CAPEHART. Have you ever given any thought to some sort of an organization to get over the facts to the people as to the seriousness of this whole business, both militarily and economically, so they can understand it?

Secretary MCELROY. We could very well put our minds to that one. I think what we have felt was that all of the things that we do in terms of presentation of military budgets and the discussion of the various items in the budgets bring this out before the people. But it might very well be done in a more orderly fashion and more successfully, Senator Capehart.

Senator CAPEHART. I think one of our big weaknesses at the moment is that our people are unaware of this situation, and I fear we may fail because of lack of knowledge, understanding, and education of the people of the United States as to the seriousness of what we are up against and how strong our enemy is, and frankly, how much money the job may cost, as well as the length of time that we may have to continue to spend money.

Secretary MCELROY. I think particularly that last point could be given added emphasis, Senator.

Senator CAPEHART. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Morse.

MAD ARMAMENT RACE

Senator MORSE. Mr. Chairman, I want to say to these gentlemen, I think we are all indebted to you for this excellent briefing. It has been very helpful to me. I shall certainly vote for every single dollar that is needed to keep my country secure.

I would say by way of philosophical comment that I am a little concerned, however, as I weigh the implications of this mad armament race, that history may record that ours was the era in which civilized man became completely uncivilized.

I have three quick questions, and will make one passing comment.

I hope, Mr. Secretary, that informing the American people of our military problems will always be carried on by the civilian arm of the Government.

MUST HOLD BERLIN AT ALL COSTS

General Twining, I didn't hear any mention of the Berlin situation in your comments. If Berlin should be sealed off at the end of a 6-month ultimatum period, I assume that an air lift will not be the solution.

Could you advise the committee as to what you plan to do about the Berlin crisis?

General Twining. Well, we feel, as I am sure the Secretary of State feels, it is a question of what the U.S. policy is going to be, and I know what the military policy is on this. We feel that we must hold Berlin at all costs, even to general war, and we should not start an air lift. We should not use that as a starting point.

Senator Morse. You know we are united unanimously on this one. We have to stand together and hold Berlin.

General Twining. I think that is fine. I think we must start and stay with it, and make up our mind that when we start, though, we have to follow through. We must never be caught bluffing.

Senator Morse. There is no question that you are at work on plans?

General Twining. We are working on plans right now, Senator Morse, and we are working very closely with the State Department every day.

A UNANIMOUS JOINT CHIEFS OF STAFF

Senator Morse. I assume I know the answer to this question, but I think it ought to be on the record. Am I correct in assuming that in making the statements you made this morning to this committee, you speak for a unanimous Joint Chiefs of Staff?

General Twining. Yes, it is straight down the line. This is a very broad statement that I have given this morning. Of course, the Chiefs of Staff will want to go into some points in their services when they appear before the Congress on the budget. But generally speaking, this is their doctrine.

Senator Morse. They reviewed this document before you came up?

General Twining. Yes, sir.

CAPABILITY OF THE CHINESE ARMY

Senator Morse. I didn't notice much emphasis in your statement on the posture of the Red Communist Army as a part of the Soviet bloc. Would you quickly review for us what you think the capability of the Chinese Red Army is?

General Twining. The Chinese Red Army is improving. It now has about 123 divisions, using mostly good equipment they are getting from Russia. They are doing a lot of training, and they are improving. Of course, they are not yet up to the standard of the Russian first line outfits, but they are improving. It is a pretty formidable force.

Senator Morse. Would I be correct in observing that the charts you showed us, however, did not include at least the present potential of the Red Chinese Army?

General Twining. No, this thing takes the Soviet bloc together, and all I showed here was the strength of the Red Army in China.

Senator Morse. I see.

POSSIBLE LOSS OF NORTH AFRICAN BASES

My last question. Senator Wiley referred to our bases in North Africa. Is the Defense Department concerned that we may lose some of those bases by political action?

General TWINING. Very much concerned, and the State Department worked very hard on this. If we are going to control this free world from the United States and take care of these little wars, getting into Lebanon and things like that, we have to have bases around the world. We can't do it without them. That is why the Russians are so firm. The one thing they fear more than anything else, and want to get rid of, even as much as NATO, are the foreign bases we have. They know that gives us great flexibility to control things around the world. If we lose these foreign bases, we can't go anywhere; just as a ship at sea has to go into a port, an airplane has to go into port and get supplies and people.

Senator MORSE. Does your intelligence show if there is any basis to the report that the Russians are moving toward bases in the Sudan?

General TWINING. We think there is some infiltration there—no physical force.

Senator MORSE. My time is up.

Secretary MCELROY. I wonder if I may take a few seconds to reinforce what General Twining has said about our need for a retention of our base structure.

This is reviewed annually, because there is no reason for us to put on the diplomatic resources of the country any load that is not really necessary for our military posture.

This has recently been completed and discussed thoroughly with the Department of State and the National Security Council. Any losses that we take in that direction are serious losses for the maintenance of our military position around the world, and I would hope that this committee would be seriously concerned with any of these things.

The CHAIRMAN. Senator Kennedy?

THEORY OF A MISSILE GAP

Senator KENNEDY. General, you put forward your belief that the United States could prevail if a war should begin now. Does it follow then, as you look forward for the next 4 years, 1959, 1960, 1961 and 1962, that the United States could continue——

General TWINING. I think so, if we keep ahead with our programs and keep improving, as we should, and if we keep our missiles going forward.

Senator KENNEDY. You don't accept the idea of what has been called a missile gap in which the Soviet Union will have a decisive advantage over us in the intercontinental ballistic missile?

General TWINING. What we must remember when we discuss this is, let's don't place the United States versus Russia; that is not the way to look at it.

We can't expect to control this world and lick Russia all by ourselves. We have great allies that she doesn't have. Maybe we might be—for example, we only have 17 divisions, with the Marines. Russia has 175.

When you compare them like that it is terrible. But we have some 200 divisions on the allied side and it makes the picture look a whole lot better.

In the missile field, suppose we should be a little behind them on the ICBM. They should have 10 or 15, and we only have two. We have IRBM's in Italy and in England capable of firing at them. The IRBM is going to be more accurate and carry just as big a payload, so it is the balances we must look at. Ours is collective. So let's don't get caught on comparing the United States alone against Russia.

Of course we want to beat Russia at everything, and we are trying to; but we don't have enough manpower, money, and resources to stack up against that Russian nation.

Senator KENNEDY. In other words General, you don't accept the theory that there is a missile gap, and that this is a period of maximum peril?

General TWINING. No, I don't. It is fluctuating and I think the progress the United States has made since 1954 has been tremendous, absolutely fantastic.

CONTRADICTORY STATISTICS

Senator KENNEDY. I am interested, General, in the fact that to support this thesis, particularly last summer, some statistics were printed in various papers estimating the number of intercontinental ballistic missiles that the Soviet Union would have, and the number we would have. The New York Times reprinted those estimates this week in their articles, and it did state that, for example, the Russians' intercontinental ballistic missile inventory was estimated last summer at 100, and the U.S. inventory at 30. At 1961, the figures were 500 to 70; at 1962, they were 1,000 to 130.

It is interesting that your figures show 10 missiles for the Soviet Union, in 1959, as I recall it, with three for the United States; in the year 1960 to 1961, 100 for the Soviet Union; for the year 1961 to 1962, 500.

That is quite close to the figures that were given in the discussion of General Gavin[1] and others this summer regarding the missile gap.

According to your testimony, in 1962, while we will have three this summer, there will be nine Atlas squadrons with a total of 90 missiles. So by your figures, in intercontinental ballistic missiles, the United States should have 90, while the Soviet Union would have 500 between 1961 and 1962, and therefore in 1962 to 1963, if that rate of increase kept on, it would be close to 1,000. Those are the figures that were used last summer during the discussion by Gavin and others of this missile gap.

What is your response to that?

General TWINING. I go back to my testimony before this Congress for the last 2 years about the heavy bomber. Congress was convinced there was going to be a gap, and that the Russians were going to be way ahead. I agreed, and I so testified.

It so happens today that instead of the Russians being ahead of us in heavy bombers, we are way ahead of them. We don't know whether they are going to build the ICBM's.

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[1] Lt. Gen. James M. Gavin, Chief of Research and Development for the U.S. Army, resigned his commission on March 31, 1958, after he learned he would no longer be considered for promotion because of his criticism of the Defense Department's handling of the missile and space program management.

WE ARE SURROUNDING THEM

Senator KENNEDY. But you are talking about them. You said this morning that the figures for 1962 will be 500 Russian ICBM's.

Secretary McELROY. Not will be, but could be.

Senator KENNEDY. Let's assume it could be, and that ours will be 90 in 1962.

When you say that it could be, it is always safest to assume that it would be.

General TWINING. My point, as I said a minute ago, is let's don't pick one weapons phase in isolation and call it a gap.

For instance, we will have IRBM's in Europe—consider what we have to attack Russia with—that are better than ICBM's. Look at the 15 bombers sitting on the border, and the Matador missiles and the ~~Navy equipment.~~

We are surrounding them. The only thing they can hit us with is the ICBM in the missile field, and we can hit them with all kinds of missiles.

Don't you see the difference? Compare these things collectively. Ours is a collective defense; it is not United States solely. We would like to beat them on ICBM numbers; maybe we won't. But that doesn't mean we have lost the war.

Senator KENNEDY. My time has expired.

DIVERSIFIED SYSTEM PREFERRED

General TWINING. I can tell you what we will have. This table shows the total of all types of ICBM's and IRBM's, ready to fire in anger on Russia. These will hit Russia. An IRBM that can hit Russia is better than an ICBM—that is, more accurate—and carries the same warhead.

July 1, 1959 we will have 35; July 1, 1960, 107; July 1, 1961, 180; July 1962, 252; July 1963, 406.

~~All these aren't our own, but we have those to hit them with.~~

That is what I mean, Senator.

Secretary McELROY. This matter, as you must realize, Senator Kennedy, is of great concern to all of us. The ability of this country to deliver a strategic weapon has to be maintained, if we are to continue to deter general war. To deter general war, you must be in a position to win a general war if it happens, or at least be in position to wreak such havoc and such destruction on the opponent that he will regard this as not worth the provocation.

Our delivery systems are very diverse. We have two or three types of long-range aircraft, as General Twining has stated. We believe that for several years to come, the long-range aircraft is going to be the best method of delivering a strategic weapon. We have the land-based bombers not only here, but also on advance bases overseas.

We have a substantial delivery capability from aircraft carriers. As General Twining pointed out, our aircraft have a 2,000-mile range with refueling in the air for the delivery of large strategic weapons. We have tactical fighter bombers, which we almost always tend to overlook; almost nobody thinks about them as having real force and power. They are in Germany, for example, and have substantial range to the satellites and nearby areas of Russia.

We will have Polaris submarines, which will be ahead of any such types of missile deliveries that the Russians have. Each Polaris seriously complicates the Russian defense. They try to defend against one kind of thing, and we have the potential to hit them with another.

God knows, I would be glad to have as many intercontinental ballistic missiles as Russia has, but I think I would much prefer what we are going to have, which is a diversified delivery system for strategic weapons. In my mind, this will give them a far more complex defensive problem than if we had a heavy load of a single one and not many others.

Senator KENNEDY. Thank you.

Secretary McELROY. This debate is one that must continue, because it is extremely serious to the United States, and we had better make the right decision.

The CHAIRMAN. Senator Gore. I think this is the first time you are asking a witness questions before the committee. Welcome.

Senator GORE. Thank you, sir.

EFFECT OF HIGH-ALTITUDE EXPLOSIONS

Mr. Secretary, I take it you are familiar with the results of our high-altitude nuclear tests.

Secretary McELROY. Yes.

Senator GORE. In view of the missile capability to which Senator Kennedy and General Twining made reference, is it not a fact that we depend heavily for defense of the continental United States on the DEW Line, the early warning system and the anti-missile program?

Secretary McELROY. Certainly, the ballistic missile early warning is what we must have.

Senator GORE. Two important facts seem to have evolved from these altitude tests, one of which has been highly publicized, and one about which the American people know very little, so far as I know: One is the disturbing possibility that with an interplanetary detonation, the radar system could be thrown completely awry and made almost useless for hours.

The other possibility is that an anti-missile missile explosion might result in retina burning and blindness for millions of people.

What bearing does that have on our dependence on the new Nike and the anti-missile program, and the early warning and DEW Line system?

Secretary McELROY. We do not know how to defend against a missile. We are spending hundreds of millions of dollars to try to find out quickly.

The important thing about the ballistic missile warning system is that we should have enough notice that a substantial number of launchings have taken place—

WARNING SYSTEM COULD BE KNOCKED OUT

Senator GORE. I am aware, Mr. Secretary, of the value we have attached to it. Have you taken into consideration, and what effect do you think the tests may show, as to the Russian capability of knocking it out?

Secretary McELROY. We think they can knock it out. In fact, my guess would be that that would be one of the first things they would try to knock out.

Senator GORE. Then of what value is it?

Secretary McElroy. It simply warns us that they are on the way. That is the important thing about the ballistic missile early warning system—to notify us that an attack is about to take place, so we can have as many of our retaliatory forces off the ground as possible and not destroyed on the ground.

Senator Gore. Is it not possible that the radar effectiveness might be so disturbed and confused that we could not know that it was an interplanetary shot or nuclear explosion, and therefore not be certain whether it was magnetic disturbance?

Secretary McElroy. It has to be relatively near. Where is this going to be shot from, Senator Gore—by the Russians?

Senator Gore. I do not know that, but the test results seem to indicate that it might be shot from any one of a number of sources, and disturb the ionosphere so as to make the DEW Line virtually useless.

General Twining. That would be a warning, and we would take off.

Secretary McElroy. What all of us have in mind is that if we get any interruption to our communications with an important installation, it becomes a matter of the establishment of an alert.

MILITARY SACRIFICES IN SUSPENSION OF TESTS

What you are talking about, we have not evaluated completely, by any means. And it is one of the unfortunate things about the intended suspension of tests.

Senator Gore. That is what I was coming to.

Secretary McElroy. This is an area in which there is a real military sacrifice in the suspension of tests.

Senator Gore. And the principal sacrifice, under present circumstances, may be on the possible defender.

Secretary McElroy. Oh, it is.

Our principal interest in the high-altitude shots, which is where the principal military sacrifice is being taken in the giving up of testing, is purely defensive. We need additional information for the purpose of improving our defense, against both incoming aircraft and incoming missiles.

Senator Gore. Do you agree with the technicians who have been testifying for the past few days before the Joint Committee that the Russians now very likely have a capability of detonating a nuclear explosion thousands, perhaps millions, of miles from the Earth?

Secretary McElroy. I do not know. This is over my head, Senator Gore.

ANTI-MISSILE MISSILE

Senator Gore. Mr. Chairman, my time is up, but I would like the Secretary to proceed in his own way to respond to the retina burn threat and its bearing on the use of an anti-missile missile in the environs of or over the United States.

Secretary McElroy. This is one of the matters which is being studied, Senator, as we move toward an anti-missile missile. But we are a long way from it, and we will have a good deal of time to study that factor, as well as others. The tremendous problem, as I am sure you realize, is the mathematical plotting of the trajectory of a missile in a limited time, and then placing, with such sophistication as required, a defensive missile into the atmosphere high enough to avoid the retina burn, so that a missile can be met in its incoming trajectory and destroyed before it hits the ground. But what you are talking about is only one of the problems.

Senator **Gore**. Thank you.

WEAKNESS OF SOVIET MILITARY ALLIES

The **Chairman**. Senator Lausche. This is your first meeting.

Senator **Lausche**. Thank you very much. I observed the comparative numbers of the ground forces assigned to the Soviet bloc, and to our allies, and I think General Twining says there is a difference of about 2 million.

General **Twining**. That is correct.

Senator **Lausche**. What evaluation, if any, has the Defense Department made of the desire and the incentive of the various components of the ground forces to engage in battle? General Twining stated that in Europe there are 62 Soviet bloc divisions, and 25 actual Soviet divisions.

General **Twining**. Yes, sir.

Senator **Lausche**. Do you ascribe a difference in the desire and willingness to fight between the various parts of the Soviet ground forces?

General **Twining**. As to the Soviet forces, no; as to the satellite forces, we question how good they will be, and whether they will fight very well. Some of them won't want to, we are sure, and we have questioned for some time how good the satellite divisions will be for the Russian cause.

Senator **Lausche**. I do not mean that they do not, as individuals, have the purpose to fight.

General **Twining**. That is right.

Senator **Lausche**. If the incentive is there.

General **Twining**. That is right.

Senator **Lausche**. But do those Mid-European and European people have the desire to fight for the Communist bloc and has that factor been evaluated?

General **Twining**. It hasn't been evaluated, but we realize it does exist.

Senator **Lausche**. All right.

SINO-SOVIET CONFLICT WILL COME LATER

There has been considerable talk by columnists and commentators about antagonisms developing between the Russians and the Chinese. I think General Twining stated that neither you nor Mr. McElroy have knowledge of any such antagonisms.

Is the discussion we read about without foundation, Mr. McElroy?

Secretary **McElroy**. I believe it is going to happen, because those two very large countries are going to find they do not have the community of interests required to continue this relationship which puts Communist China in a subordinate position to a country which has a considerably smaller population.

Our own view is that China is sufficiently dependent on Russia for its military equipment and for industrial equipment, which it badly needs for its development, that a conflict is not likely to come until China has reached a higher stage of military and industrial development.

Senator LAUSCHE. From the standpoint of the Defense Department, you have no knowledge of such antagonisms developing at present, is that correct?

Secretary McELROY. That is right.

Senator LAUSCHE. What about the intelligence department? Do you have the information which they have?

Secretary McELROY. Oh, yes. We have all the intelligence that the intelligence community has.

We think there are some internal troubles in China in connection with their establishment of the communes, but vis-a-vis Russia, I do not think there is anything of any substance.

DEFENSE DEPARTMENT LEAKS

Senator LAUSCHE. Word was given by General Twining that while our intelligence service has been improving, we hope to improve it still more. We are not certain whether the figures given about Russia's strength are completely accurate.

If we are having trouble acquiring information from them, how is it that information which came to us this morning as top secret is in the newspapers as being quoted here? How does that occur?

~~General TWINING. Maybe somebody is guessing.~~

Secretary McELROY. I think, Senator Lausche, what happens is that there is a certain currency of information because intelligence information, to the needed degree, becomes known not only to, let's say, the Defense Department, but also to certain defense contractors who are cleared for this kind of information and are believed to benefit from having a knowledge of it.

Certain unconfirmed bits and pieces of information get around in conversation to alert people in the newspaper world, but these bits of information seem to fall closely in line with the actual figures as they are given, and I confess that they are disturbingly close.

Senator LAUSCHE. The figures given by Senator Kennedy never were officially released?

Secretary McELROY. No.

General TWINING. No, never.

Secretary McELROY. These were figures published in newspapers which have not been confirmed or denied by anyone.

Senator LAUSCHE. Thank you.

THEORY OF DETERRENCE

The CHAIRMAN. Next is Senator Church, the newest member of this committee. Welcome to you, too.

Senator CHURCH. Thank you very much, Mr. Chairman.

Gentlemen, I have been troubled for a long time, and I hope you can resolve my question about one feature of the theory of deterrence. Now that you both are here and can state with what must be final authority what our military thinking is, I would like to explore it with you.

First of all, I think I understand the theory of deterrence and the use that we are putting it to in the hope that we can avoid a thermonuclear catastrophe. If I understood your testimony correctly, we have yet to devise any effective defense against incoming missiles, although we are at work on them.

We have to assume, if the theory of deterrence has any validity, that Russia would strike first, and that to deter Russia from doing this, we want to maintain a maximum retaliatory capacity.

If Russia were to strike first, which is the assumption that we make, approximately how long would it take for Russian intercontinental ballistic missiles to reach the United States from Russian launching pads?

Secretary McElroy. We think about 30 minutes.

Senator Church. About 30 minutes, and we are now devising a detection system that would give us early warning. Would it give us warning at the moment of launching so that we would have 30 minutes' warning?

Secretary McElroy. Well, not quite. You would have very nearly 30 minutes.

RETALIATORY LAUNCHINGS

Senator Church. We are principally relying upon the Atlas and the Titan as our forthcoming intercontinental ballistic missiles. And aren't there fixed launching pads for them?

Secretary McElroy. Yes.

Senator Church. So they could be ascertained by the Russians and made initial targets of the Russians' ICBM's, when they launched, could they not?

Secretary McElroy. In general, the Russians would be able to know where our missiles are, because of the way we run our country.

Senator Church. Yes.

Secretary McElroy. But you must realize that these will be dispersed, and they will also be hardened, except for the—

Senator Church. How long would it take us to fuel and launch an Atlas or a Titan missile in a retaliatory attack?

Secretary McElroy. The objective time is 15 minutes.

Senator Church. It is possible to fuel and launch them within a 15-minute period?

Secretary McElroy. It will take quite a lot of practice.

Senator Church. Is that possible now, or is that an objective?

Secretary McElroy. It is an objective. We cannot do that now.

Senator Church. We cannot do that now, but it is hoped that we can.

Secretary McElroy. Well, it is expected that we can.

Senator Church. Would you compare that launching time with the solid fuel Minuteman? Would that be an immediate launch, once perfected?

Secretary McElroy. Practically immediate, because it is already fueled.

Senator Church. Wouldn't that then be a better deterrent weapon than the Atlas, or the Titan?

Secretary McElroy. Yes.

Senator Church. Why, General, did you testify that the Minuteman was meant to augment, but not to supplant, the Atlas and the Titan? If, once perfected, it would be more effective as a deterrent weapon, shouldn't it be the planning to supplant the Titan and the Atlas with the Minuteman?

General Twining. That is the planning. But if we still have Atlas and Titans left, and the bases and launchers built, we would not want to throw them away.

Senator CHURCH. Understandable.

Secretary MCELROY. One other point. We have not learned how to make solid propellent with the same thrust as the liquid, so that the Titan could deliver a bigger warhead than the Minuteman.

Senator CHURCH. Fine.

ADVANTAGE OF AIR AND SEA LAUNCHES

One final question. Regarding this theory of deterrence, once we have perfected Polaris missiles and perhaps missiles that could be launched from aircraft—missiles that have the capacity of being launched from flexible bases that cannot be pinpointed by the Russians—and once they are comparable with the Atlas and the Titan in destructive power and accuracy, wouldn't it be to our advantage to replace the fixed-position weapons that might act as a magnet and make an attack upon the United States necessary? If the Russians were to launch an intercontinental or a thermonuclear warhead, wouldn't it be better to replace that kind of weapon with the mobile base weapon entirely?

Secretary MCELROY. I think that is an interesting prospect, but it is quite a way down the road. Also, we have to be in a position to launch these aircraft, and presumably they will have to be launched from this continent. So this continent would continue to be an objective for an attack by an enemy trying to destroy our capability to launch aircraft-launchable ballistic missiles.

But I think you are saying you would like to avoid having this country be an attractive target, and put it someplace else.

Senator CHURCH. Yes, and I would think a flexible-base weapon would be more ideal than a fixed-base weapon.

Secretary MCELROY. We think so, too. The more flexible, the better. Senator Church, where there is a fixed base, we disperse and we harden. In terms of dispersal and of hardening, the plan of deployment of the Minuteman is such that a very large Russian weapon hitting in the area could only knock out one of them. Because we might have 25 Minutemen in a complex, this becomes almost impossible for any reasonable number of weapons to do.

The CHAIRMAN. Does that conclude your questions?

Senator CHURCH. Yes, thank you very much Mr. Chairman.

SITUATION IN THE FORMOSA STRAITS

The CHAIRMAN. I am the last to ask questions.

The one that other committee members have not asked is this: Has there been any significant change with regard to the garrisons and general defensive arrangements on the offshore island in the Taiwan Straits over the past several months? I have seen nothing in the public print about it, and have heard nothing.

General TWINING. Nothing that I know of, no, sir. We are attempting, as you know, to reduce the number of Chinese Nationalist forces on the offshore island, and bring them back to Taiwan.

The CHAIRMAN. Will the present situation last indefinitely?

General TWINING. We are always going to have a point of irritation there, yes. I do not know how it will be solved.

The CHAIRMAN. But I mean as far as our position is concerned.

General TWINING. Our position is the same, to basically hold Taiwan. We must do that, and then we would like to see them pull back from the islands. They are going to start to reduce the strength of the offshore island to come back to Taiwan and I think they would practically leave them and leave a little garrison. It would be a whole lot better for the peace of the world, and I am sure that is what the State Department is trying to do.

The CHAIRMAN. Thank you.

Senator Wiley has an additional question.

ARE U.S. FORCES ON ALERT?

Senator WILEY. One of the serious questions in my mind always after listening to statements like we have had here today, is whether we are remaining sufficiently alert. The Army and Navy Air Force, and Congress—everyone else was asleep at Pearl Harbor—said it couldn't happen.

Now, in this changed world, where we have been told we are 30 or 16 minutes off from a missile, I am wondering whether or not this very statement—together with what we read time and time again in the papers and magazines that the Kremlin is not ready to go—isn't putting us in a very precarious situation psychologically; whether or not, as suggested by Senator Capehart, that there is an obligation upon the Government, or some organization, to get ourselves constantly in the position of alert in this world that is now so small that a fellow says you can practically spit around it.

That, to me, is a very serious situation, and I am wondering whether you can tell us everywhere the Armed Forces, Air and Navy, are alert.

General TWINING. I think I can reassure you that we are in the greatest state of alert now and have a faster reaction time than at any time in the history of our forces, particularly the retaliatory forces, and we are improving all the time.

More airfields means you can have more airplanes on the alert, to get off in 15 minutes from the word "go." And the Navy forces at sea are always on full alert, and I think that we are doing everything we can to improve our readiness. I think you are right; it is an age when we must be alert.

I think that is the key to this thing, because you cannot be caught sleeping. You won't have time to get dressed. You have to go right now, like a fireman.

ANTI-SUBMARINE WARFARE CAPABILITIES

Senator WILEY. I do not think there was any testimony this morning—I see the Captain of the Navy is here—of what we are doing, how far are we advancing in anti-submarine war. We have been told here in substance, this morning, that the Russians have submarines they could launch their missiles from. They can get off 25 or 30 miles and let New York have it, or any city on either coast. Have we any answer to that?

General TWINING. Yes, sir. We have a lot of money in the budget this year, and had it before, for the Navy to modernize their anti-submarine warfare capability, and they are coming along in good shape. The barrier that we are building across Iceland to England is part of this, and most of our submarines now have an anti-submarine capability. I think it would be very difficult for the Russians to get submarines in any kind of numbers that would warrant their attacking this country.

Sure, one or two isolated submarines, but it will take more than that for them to dare to launch a submarine attack, even if they had the weapons. And they don't have them now.

Secretary McElroy. I think one thing to keep in mind, Senator Wiley, is that you are not going to get a single shot at New York from some place off the shore. If you are going to get attacked, you are going to get attacked with a number of weapons, and they are going to be coming from several directions.

Senator Wiley. Sure.

Secretary McElroy. Because it can be hardly other than clear to our opponents that unless they destroy our ability to react and respond, they are going to be clobbered beyond any state that would be at all acceptable to them. This is going to be when you go out to the Intercontinental Air Command.

They see one or two pips on the screen. One or two of them don't worry them. This almost invariably is a confusing element and not real. They are looking for a number of pips that will indicate a sizable attack is coming, because that is the way it is going to come. It is not going to come in one or two, because one or two simply provoke a response which is devastating without their having gained anything much at all.

Senator Wiley. The one thing that would prevent war from coming unless by accident, as I understand the testimony, is that the Kremlin will understand we have adequate deterrent. That is why I asked about the Navy and about the missiles; that is why I am asking about every field in which there might be an attack. I think you agree that if war came, it would probably mean more or less the annihilation of both nations.

Secretary McElroy. Well, it would be mighty rugged.

Senator Morse. Mr. Chairman, I have one question supplementing yours.

The Chairman. Senator Morse?

NO MILITARY ADVANTAGE IN HOLDING QUEMOY AND MATSU

Senator Morse. General Twining, if it is true that Chiang Kai-shek now has no intention of conducting a military attack against the mainland of China—and I understand that that is the understanding that the Secretary of State worked out with him—then what is the military advantage to the United States of maintaining control of Quemoy and Matsu?

General Twining. There is no real military advantage in holding Quemoy and Matsu, but Taiwan is very important.

Senator Morse. You understand I completely agree with that, but I want to know if there is any difference.

General Twining. I see no advantage in holding them.

Senator Morse. I want to know if there is any difference in the position of the military than it was in recent years. Without involving his name on the record, a great General, a member of the Joint Chiefs of Staff, not many years ago testified that Quemoy and Matsu were not of any great benefit to the United States.

I know we have diplomatic and sociological problems, but I am talking only about the military advantage. Am I correct in my understanding that our military does take the position that Quemoy and Matsu would not be of any military advantage to the United States?

General TWINING. None. The Secretary said it could have some warning of an attack that might be helpful.

Secretary MCELROY. I happened to be out there this year and I was interested in what military advantage this really is. I don't know how important this is, but there is some substance to this:

The detecting radars on Quemoy can give some warning of attack by aircraft on Taiwan from the mainland. That is the only military advantage I see.

Senator MORSE. On that point, may I respectfully point out that that has been discussed before, and you never know whether or not lifting those air fields is in contemplation of going to Formosa or to Quemoy or Timbuktu. The fact that the radar may show that planes are leaving their field does not necessarily mean they are on their way to Formosa.

Secretary MCELROY. I wouldn't make a great point of it.

Senator CAPEHART. Mr. Chairman, might I ask one question?

The CHAIRMAN. Yes, certainly.

A PSYCHOLOGICAL PROBLEM

Senator CAPEHART. Isn't it a fact that the Chinese Nationalists control many coastal islands, of which Matsu is one, and isn't the problem we have not so much the fact of those two little islands having any military value, as the fact that we dare not let Red China and Russia take them by force?

Secretary MCELROY. The problem is primarily, I believe, in the psychological area.

Senator CAPEHART. Yes. It is not whether they have physical value or not; it is the fact of their being taken by force. If we can negotiate a treaty with Red China and Russia and turn the islands over to them, that might be one thing; but to permit them to take them by force is another, because if they do then they might well try to take Formosa.

Secretary MCELROY. That was our firm position.

Senator CAPEHART. And isn't it our position to not permit Red China and Russia to take by force anything that does not belong to them, and that those islands are under the command of the Chinese Nationalists.

Secretary MCELROY. That is right. I think the question was whether it is provocative to keep 80,000 troops here.

Senator CAPEHART. Not whether they have any physical value. You could say that many sections of the world have no military value, except in case of a war. On the other hand we certainly would fight to maintain them because it would be disastrous from a psychological standpoint throughout the world.

Thank you.

The CHAIRMAN. If there are no other questions, I want to thank the gentlemen for their testimony.

Secretary MCELROY. Thank you, Mr. Chairman.

The CHAIRMAN. I want to remind everyone that this entire proceeding is secret.

The committee stands adjourned.

[Whereupon, at 12:30 p.m., the committee adjourned.]

MINUTES

TUESDAY, JANUARY 20, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10:35 a.m. in the committee room, F–53, Capitol, to consider regular business.

Present: Chairman Green, Senators Morse, Kennedy, Lausche, Church, and Wiley.

The chairman laid before the committee a draft of a resolution on the Berlin situation, which was, after discussion, carried over for action at a subsequent meeting.

The chairman, as Chairman of the Subcommittee on Space, made a report on the proposed move of the committee offices to the new Senate Office Building. By unanimous voice vote, it was agreed to accept the offer of the Committee on Rules and Administration of new quarters and a hearing room in the new building subject to that committee's approval of the Committee on Foreign Relations' desire to keep Rooms F–53 and F–63 in the Capitol.

On motion by Senator Morse, seconded by Senator Church, it was unanimously adopted that the chief of staff of the committee, Mr. Carl Marcy, extend the committee's best wishes to Senator Mike Mansfield for his recovery from a recent illness at the Bethesda Naval Hospital.

The committee next considered certain recess nominations to Ambassadorial posts with the decision that they need not be called back from their duties abroad in advance of their consideration by the committee for report and confirmation. Three other nominations, those of Livingston T. Merchant to be an Assistant Secretary of State, Leonard Saccio to be Deputy Director of ICA, and John Bell to be Special Assistant to the Secretary for MSA matters, were considered, and the staff directed to call all three before the committee at the next session. It was also decided unanimously, on voice vote, to call before the committee a selected group of Class Eight Foreign Service officers, in advance of consideration by the committee of their nominations, for a hearing before the committee, the group to be selected by lot.

The committee called before it Ambassador Llewellyn Thompson for a briefing on the U.S.S.R. Because of a scant attendance, however, it was decided to ask Ambassador Thompson to return at 4 p.m. this same afternoon.

For record of proceedings, see the official transcript.

[There being no further business, the committee recessed at 11:20 a.m. to reconvene at 4 p.m.]

RELATIONS WITH THE SOVIET UNION

TUESDAY, JANUARY 20, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to adjournment, in the committee room, United States Capitol Building, at 4 p.m., Hon. Theodore Francis Green (chairman) presiding.

Present: Chairman Green, Senators Humphrey, Morse, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, and Carlson.

Also present: William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations.

Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

The Chairman. The meeting will please come to order.

Our Ambassador to the Soviet Union, the Honorable Llewellyn Thompson, has been invited to appear before the committee this afternoon in order to report to us on the state of our relations with the Soviet Union.

Members will recall, I am sure, that Ambassador Thompson has appeared before the committee several times during his visits home. We have found his reports most helpful.

There have been suggestions from several sources that Ambassador Thompson should appear in open session. Such a procedure would, in my opinion, be most unfortunate. This committee cannot require our ambassadors to air their views in public, and then expect them to return to their posts and continue to serve the nation as well as they could otherwise.

Mr. Ambassador, if it is agreeable to you, after you have spoken to us on the general state of our relations with the Soviet Union, members will direct questions to you. I will ask that on the first round, members limit their questions to not more than 5 minutes.

Please, Mr. Ambassador, proceed in your own way.

STATEMENT OF HON. LLEWELLYN THOMPSON, U.S. AMBASSADOR TO THE SOVIET UNION

Mr. Thompson. Thank you, Mr. Chairman.

In some ways this is a difficult time to give an appraisal of Soviet foreign policy.

As you know, on the 27th of this month, the Soviets are going to have a party congress. Such congresses normally set the guidelines for Soviet policy for some time to come. The last one, the 20th party congress, was the one in which Stalin was denounced, and although this one is supposed to be a special congress dealing mainly with their 7-year plan, it is undoubtedly one in which they will make some major decisions concerning foreign policy. At best we have to guess about what is going on in that Congress, and it is particularly hard to do so just before they have one of these meetings.

Another factor that makes it very difficult is the fact that undoubtedly after Mr. Mikoyan gets back they will have his report, which will have some effect on their policies.

FLOGGING DEAD HORSES

There is another factor that I find very baffling. Usually I try to at least guess what is going on, but their continued attacks against the Molotov, Kaganovich, and Malenkov group is something I don't understand. I think it will become a little clearer within the next few weeks.

As far as we can tell, there isn't any organized opposition to the present leadership. Why they find it necessary on each occasion to flog dead horses, I just don't know.

Senator WILEY. In the paper only?

Mr. THOMPSON. No. You may recall that at the Central Committee meeting they had in November, and at the Supreme Soviet in December, Bulganin was made to get up and humiliate himself and say how wrong he had been, that he had been leader of the group, and so on. Even then they said that wasn't good enough, that he was still in trouble.

That is rather mystifying to me. I suspect that this could be a warning to people at this congress who may oppose policies, or to the Chinese who may have been working through Molotov or some of these people. We don't know.

We see no organized opposition to the leadership, as such, but there undoubtedly is great opposition to some of Khrushchev's policies.

SEVEN-YEAR PLAN

At this congress, they will be dealing with this ambitious new 7-year plan.

At the recent meeting of the Central Committee, they dealt with the agricultural part of the plan, and at this meeting they will take up the industrial part.

The plan calls for enormous increases in their industrial production. Their steel is to go from 56 million tons to some 80 million tons; in general, an annual increase in industrial production of something like 8.6 percent, and in agriculture, 7.9 percent.

They were working on a 5-year plan which was to end in 1960, and the plan broke down. They then operated on an annual plan until they drew up this present 7-year plan.

Many of the goals, as high as they are, of the 7-year plan that is to end in 1965, are lower than the goals of the 5-year plan which was to end in 1960. In other words, the Soviets had to face the fact that they could not carry out these plans they had made, and had to cut them back materially.

The breakdown was largely due to iron and steel production, and both ferrous and non-ferrous ores.

The new plan is very ambitious, and it calls for an enormous increase in their output of chemicals and petrochemicals. One of the reasons is that they have neglected this whole sector of their economy, and they have now found that they simply are short of the raw materials necessary to carry out these increases in production. By developing the petrochemical industry, they can make substitute artificial fibers and plastics and so on, and make it at least more feasible to carry out this plan.

They are developing their natural gas as a power base, and shifting to natural gas and oil from coal and hydroelectric power.

DEVELOPMENT IN SIBERIA

Another feature of this plan is that they envision an enormous development in Siberia. This is partly because they found resources there, but we suspect that it is also because they want to build up that area as a counterpoise to Red China.

The Soviets have shown on every occasion that they are extremely anxious to build up their production as rapidly as they can. Yet they are putting money into Siberia, which will mean a very long load time. They have to build the railroads, the power plants, and installations before they will begin to get a return from it. So on a straight economic basis, and in view of their desire to increase their production quickly, it would probably have been better to have put their money into other things.

The general estimate, at least of the State Department, is that the Soviets will probably reach most of their goals in the field of agriculture, which is perhaps their greatest weakness.

INCENTIVE SYSTEM

My view is that they are also going to have trouble with their industrial goals. They are basing this plan on a large increase in productivity. At the same time they are going to cut back their hours of work, which means they will have to raise productivity even more. So I suspect that they are going to have some serious trouble in meeting these goals.

They have now frankly admitted that they are operating on the basis of incentives, and that they have abandoned this business of "from each according to his ability and to each according to his needs," even as a goal. They now say that incentives are the only things that work.

In the days of Stalin they used terror to make people work, and now they have abandoned that, at least outwardly. Incentive has become all the more important; but incentive is, in fact, consumer goods and a better life, and it is going to be very difficult to carry out this rapid industrialization if they can't produce the consumer goods to provide the incentive. So I think something is going to have to give.

One of the reasons for their great interest in this country is that they would like to tap our resources to help them build up their chemical industry. They would like both the plants and the know-how. And they are negotiating with the French, British, and Germans, as well, for that kind of assistance.

AGRICULTURAL WEAKNESSES

About half the labor force of the Soviet Union is engaged in agriculture, and Khrushchev saw very early that this was one of their greatest weaknesses. He recently revealed that in 1953 they lied about their grain production by about 30 percent. Khrushchev has accused Malenkov of this, but made statements which at that time more or less supported Malenkov in saying they were then self-sufficient in grain. Although we now know they were, the figures related to biological yield and not the actual barn production; however, one of the steps that Khrushchev advocated to deal with this was to open up new, more or less dry lands. So far he has had very good luck, because they have had good crops, particularly this year, and he is trying to cash in on that. It is one of the reasons, I think, they had the recent meeting in which he could take credit for this policy, and in connection with their future plans say that he was the man who knew best, and that it was by listening to him that they had had the success.

DECENTRALIZED INDUSTRY

Khrushchev is also responsible for the plan to decentralize industry. As you may know, they abolished industrial ministries and established 104 economic units throughout the country.

However, this has been mainly on paper. Most of the industrial ministries were abolished, but most of the personnel were transferred to and became sections of what they called the State Planning Commission, and they have not, so far as we can tell, delegated much of the decisionmaking to the economic commissions.

There already have been one or two scandals concerning investments that were diverted from the planned investments. So far as we can tell, investments are still controlled from the Center very rigidly.

Raw materials also are controlled from Moscow very rigidly, and about the only thing they have decentralized is the administration of the various industries. That undoubtedly was a wise step and has cut out some of the red tape that was causing the system to break down. But how well this is going to work, we can't tell. It is very new.

EDUCATIONAL REFORMS

A couple of other of Khrushchev's policies I would like to mention: One of them was the reform of the educational system. What they are going to do now is put youngsters to work—at about the age of 15—when they come out of their primary schools. They will then have to go to work and study at night to get most of their secondary education, either by correspondence or going to night or parttime schools. To be eligible to get into the university they will have to show they have worked for several years.

Now, the plan is that even when they get in the university, again students will be working parttime and studying parttime.

There are some exceptions to this. In a few specialized schools, art schools and music schools, they will go straight from the lower school to the specialized higher school. We think this will almost certainly reduce the quality of their product in the long run.

There are probably a number of reasons why they have adopted this system, but it seems to be Khrushchev's idea. One reason is that they found the students simply weren't prepared to work. Those who couldn't get into the universities, if their fathers had enough money to keep them or a place where they could be fed, had no interest in taking jobs and going to work. And under the new system of operating without force, it was hard to make them go to work.

A second thing they found was that the college-educated youth didn't believe in the Communist system. They are finding it hard to recruit young party members, because the boys simply don't believe in it any more. They have been educated out of it.

A third reason why he did it was probably to increase the labor force. They are running into the shortage that comes during the war years, and the number of people being recruited into the labor force is falling off. These students will give them about 3 million part-time workers.

REDUCE THE ROLE OF THE POLICE

One other major item that I want to mention is that Khrushchev has told Senator Humphrey that he is going to reduce the role of the police, which is probably true. And shortly after that Serov, who was the head of the secret police, was fired, and they have organized or are in the process of organizing what they call the Workers Militia.

I think the goal is to try to get the people to handle petty crimes such as drunkenness, which is a great problem with them; and they hope that by organizing this Workers Militia, they can have them deal with drunks rather than have the state do it. That takes off some of the onus of the friction of the state dealing with the people.

KHRUSHCHEV HAS MADE ENEMIES

All these things, and a number of other steps he has taken as well, have caused Khrushchev to make enemies. When he abolished the machine tractor stations on the farms, he was opposed by both the highly theoretical Communists, and for the most part by the people who ran the stations.

Senator LAUSCHE. Repeat, will you, please, the last item?

Mr. THOMPSON. When he abolished the machine tractor stations, the people who were in the stations had the jobs of running them and much preferred those jobs to going onto the collective farms themselves.

When the decentralization of industry took place, some of them went into the State Planning Commission, but many had to go out to the provinces. They resented that. When he fired Marshal Shukov, that outraged a number of people in the military who admired the Marshal. He had a great reputation there.

The educational reform has been opposed by the professors for the most part, as well as by the factory managers who are going to have to take in these youngsters, who won't be in full time. It upsets their production schedules, and they will have to tag off people to instruct them.

These plans appeal to a great many people. I don't mean to suggest that this means they are going to be able to overthrow Khrushchev, but it does mean that there are some very influential groups opposed to him that he must take into account. They don't have the kind of political power, in my opinion, that would enable them to organize any kind of revolt or pressure to get him out; but I do think in making these plans he has to take into account the fact that these groups do exist.

I mentioned some of these internal matters because I think they relate to the Soviets' problems in the field of foreign affairs.

EXPRESSIONS OF OPPOSITION

Senator **Wiley**. How do they express their opposition?

Mr. **Thompson**. In party meetings at the local level, or meetings of their various groups, they can express themselves. Lately they have even been allowed to express some opposition in the press and in these meetings, up until the time the policies are adopted.

This is a very mild form of opposition. Sometimes you have to read carefully to see that an article is opposing this plan, but people have been allowed to express themselves to some extent.

I don't think it can operate to change the Presidium, which is the group that runs the country, but as long as they are trying to operate the system on the basis of voluntary work, they have to take into account the fact that these opposition groups can't be allowed to become too large or the thing would break down.

A PERIOD OF RELAXATION

It is obvious to me that they have not changed their basic goals. In November 1957, they had a large 40th anniversary celebration of the Revolution. Communists from all over the world came there, and they adopted a declaration to rededicate themselves to the goals of international communism.

I don't think they are in any way abandoning these goals, but because of these internal problems and their desire to successfully carry out this production program, Khrushchev is seeking a period of relaxation. He would like to relax tension at least for the length of this plan. He seems obsessed by the idea that communism can prevail simply by out-producing us, and that they can demonstrate to the world that theirs is a better system by producing more than we can. He has been conducting a regular campaign about overtaking the United States in the production of meat and milk and butter, and this is hammered every day in almost every way.

When he did that CBS television interview, they questioned him particularly on the question of meat, because the figures were such that we knew he could not achieve this. He said they would overtake us in per capita meat production in 2 or 3 years.

Even their 7-year goals show that, even 7 years from now, they will not have overtaken us.

But he does think that by continuing rapid increase in production and output, particularly of heavy industry, this system will be so appealing to other people in the world that they would be inclined to embrace it.

The fact that he believes this so firmly, though, seems to me to give us some opportunity, because he might be willing to take some chances in reaching this relaxation in the hope that he could do it by this other method.

DANGEROUS FOREIGN POLICIES

In the meantime, in the conduct of their foreign affairs, the Soviets have certainly followed the opposite of a policy of relaxation. They have been conducting, to my mind, the most dangerous policies throughout the world. In the Middle East, there are threats against Turkey and Iran. Regarding the Far East, some of the statements they made on Quemoy were going too far, and I think very dangerous, and now they have moved on Berlin.

Senator CHURCH. Why the conflict, Mr. Ambassador, between method and goals?

Mr. THOMPSON. I don't know that this is the answer, but it may be due to the fact that Khruchchev is supposed to have said to one of the diplomats there, "When I get on my knees and pray for foes of peace, nobody listens with me, but if I come with a bomb in each hand, they will listen." That is what he was going to do. I suspect he is deliberately trying to build up tension to the point where he can force a kind of settlement.

In my opinion, the primary motive for their move on Berlin was their concern about the situation in East Germany. Every time Ulbricht[1] tries to make the East Germans conform to the overall Communist system the refugee flow to Berlin goes up; and when recently these professors and engineers and intellectuals and doctors began leaving, this really hurt. They had to back down and take off some of the pressure.

I also suspect that—and this is one of the reasons I went into this in some detail at first—this plan calls for a vast increase in their petrochemical production. In connection with that they plan to build a pipeline all the way from the Urals to East Germany. The one place outside of the West where they could build the factories to make the chemicals is East Germany, and I suspect that they don't like the idea of putting investments into that area as long as it is unstable. They feel if they could solve the Berlin problem, then they could count more on holding that area as it is.

STATUS QUO IN EASTERN EUROPE

Khrushchev has made very clear that he would like a status quo agreement on Eastern Europe, and it looks as though he is trying to force that now. Regarding the Berlin problem he thinks that even if their proposals aren't accepted, he can get something accepted which will force the recognition of the East German Government. That, at least, would help stabilize the regime, which is certainly from the political point of view extremely shaky.

I certainly don't pretend to have special knowledge of that area, but I would suspect that there are not more than a handful of people that really support the regime.

Mikoyan, on his trip here, has admitted several times that the standard of living in East Germany is much lower than in the West, and he explains the discrepancy by the fact that they took reparations from East Germany, whereas we were putting investments in West Germany. He says that in a few years they will come up. They would like to nail the thing down until he can do that.

I feel quite sure that even if they do succeed in raising the standard of living in East Germany, they will still have a serious political problem. I don't think the Germans will support that regime even if their standard of living is higher, but undoubtedly it will have more support than it does today.

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[1] Walter Ulbricht. First Secretary of the Communist Party (Socialist Unity Party) of the German Democratic Republic.

SOVIET ECONOMIC STRENGTH WILL INCREASE

I think in conclusion I might offer briefly a few generalizations about the place. It certainly is dangerous to underestimate your enemy, and the Russians have shown us that they are capable of doing some pretty serious things in the way of their Sputniks, missiles, and the development of their armed forces. On the other hand, they are good at selling the successes they have. I think everyone is well aware of their strengths, and they are strong militarily.

There is almost no likelihood of revolt in the country in the foreseeable future, and whatever their failures or successes in connection with that plan, they will increase their economic strength materially. I don't think they will come anywhere near overtaking us, as they plan, even within the 15 years that they sometimes talk about. But they will greatly increase their economic strength.

On the other side, they have many problems. I think we tend to look at our difficulties, particularly in view of the secrecies that prevail in that country, and forget some of the problems they face.

PROBLEMS WITH SOVIET PLANNING

One of their problems is that running an economy as big and as complex as that of the Soviet Union today from one central place is almost impossible.

They have to project in these plans how much aluminum, for example, they are going to need 7 years from now.

If they make a mistake in planning now, the repercussions in their complex economy are much more serious than they were when it was simply a question of a few commodities and industries.

And the fact that they did attempt the so-called decentralization shows that they recognize that they couldn't plan it from the center.

They will have breakdowns in the future for the same reason; I don't think one small group of men is capable of planning in detail, as they try to do, for an economy as vast as that.

They have another great problem and weakness in that Khrushchev has used the party as his instrument of power much more than Malenkov did. Malenkov tended to use the bureaucracy, the factory managers, and the technicians. These Communist fanatics have to support the ideology as they have developed it, because that is their reason for being in power, and the ideology is out of date. It isn't true and they have to try to make the facts fit the theory. This runs them into a lot of trouble in foreign affairs, for example, because they feel obliged to support Communist parties in parts of the world where it isn't to their advantage to do so.

EMPHASIS ON REVISIONISM

I think in Syria they would recognize it was wrong to let that thing go as far as it did, and to force the creation of the United Arab Republic.

The same is true today in the Arab Republic where they are trying to play both horses—they are trying to back Nasser and the Communists in Iraq.

At the beginning of his reign, Khrushchev was tending to follow what is from their point of view a liberal policy. He was always saying that dogmatism is the great enemy of communism, that this too rigid adherence to the writings of Lenin or Stalin or Marx was a great weakness.

He similarly advocated the policy of letting the various other Socialist countries, as they call them—we call them satellites—take their own roads to socialism.

Since the Hungarian affair this has been reversed, and now they don't talk about dogmatism. They talk about revisionism, and they have followed this rigidly in the case of the Yugoslavs, for example, to the extent of almost breaking their close relations with them. From our point of view that is unfortunate, in that it seems to me that our only hope of an eventual solution or accommodation with these people is that they evolve and change. I think there is an evolution going on in their country now, and that anything we can do in any of our policies that contributes to that evolution is helpful. We should weigh our policies in the light of that.

JAZZ AND PUBLIC OPINION

The fact they no longer operate the terror, the fact that people can begin to express themselves, the fact that they are now getting a little more than subsistence, the fact that they are educated—these are all having an effect. I think this will continue. I can give you one example of a case where public opinion has been effective in that country. It is a rather silly example, but it is a good illustration.

Only a few years ago, it was a firm principle of the Soviet regime that jazz music was bad and decadent and forbidden. The youngsters put on tape the programs of the Voice of America and others and play them over again. They sell them, and now the regime has tried to say, well, there are certain kinds of jazz that are all right. There is good jazz and bad jazz. But this is a real move in position under the pressure of public opinion.

I think that is going to be true somewhat in other fields, and the exchange program we have is one of the finest things that ever happened, because in the sense of furthering this evolution, public opinion is having a real effect.

SHIFTS IN PROPAGANDA

They no longer talk, for example, about Americans as being bad. It is only the Government, particularly the State Department and the Secretary of State. They now have abandoned the idea, as propaganda, that the American people are bad per se, because there have been tourists coming around. The people meet them, see them, know they are peace-loving people. Many of their people are coming over here and I think that is useful because it is contributing to the evolution.

I think the exhibition we are going to have there this summer, if it is properly done, can be of tremendous value in furthering the evolution inside the country. I think it will stimulate the insistence on the part of the people that their standard of living be improved, and that it will also go far to offset the argument that their system is better.

There will be millions to see the exhibition, and they will see with their own eyes that even if they did succeed in getting a little more milk and meat, they still haven't begun to live the way our people have. It is going to have a profound effect because they are very excited already about the fact the exhibition is going to be there, and I think that is a very healthy sign.

Mr. Chairman, that is a first go-around.

The CHAIRMAN. Are you willing that we should ask some questions?

Mr. THOMPSON. Yes.

MIKOYAN AND KHRUSHCHEV

The CHAIRMAN. Of course, in the first place, our minds have been attracted to a distinguished Russian, Mr. Mikoyan, who has been traveling throughout this country. In your opinion, what is his relationship with Mr. Khrushchev?

Mr. THOMPSON. They are very close. We see quite a lot of these people now. They come to the National Day Receptions, and you get little clues.

I remember one day Khrushchev telling me that the day before he and Mikoyan had been out skiing together. I would have liked to have seen that, the two of them on skis. But Mikoyan came over here with his youngest son, and Khrushchev told me that his son was around the house, because he was courting his granddaughter, so the relationship there on the personal side is very close.

I also think that apart from agriculture and other reforms, Mikoyan is probably largely responsible for putting these ideas into Khrushchev's head, and that Khrushchev depends on Mikoyan for advice in this field more than anybody else.

BENEFITS OF MIKOYAN'S VISIT

The CHAIRMAN. What is your reaction to his visit?

Mr. THOMPSON. From my point of view, I am very pleased, because he was here 22 years ago and he is more or less posed in the Presidium as the great American expert. A lot of things have happened in 22 years, and it is very useful that he gets a new look.

Also, it is going to help me personally, because I think the people are going to have a little more sympathy with me in my job than they had before, when you see the kind of fellow you have to deal with over there.

The CHAIRMAN. Are you encouraging intercourse between the American Embassy and the Soviets?

Mr. THOMPSON. We see as much of them as we can, because we always pick up information from them.

The CHAIRMAN. That hasn't been our policy in the past.

Mr. THOMPSON. Nor was it theirs. They wouldn't come around. They didn't go to parties.

The CHAIRMAN. Perhaps it was mutual.

Mr. THOMPSON. Yes, maybe.

The CHAIRMAN. Is that right? But is there a change?

Mr. THOMPSON. There is some change, yes. Because of the exchange agreement, we have many technical delegations of all kinds that come over, and I try each time to get our delegation and the Russian people they are dealing with around to the Embassy with my people. In that way we begin to develop contacts, and I think it is very good.

The CHAIRMAN. Do you think Mikoyan accomplished what he came for?

Mr. THOMPSON. I am not quite sure what his objective was, but I think he did. He got a real picture of this country and what it is like today in the time he was here. How much he influenced our people, I don't know, but I feel sure that when he goes back they are less apt to make decisions based on a wrong appraisal. The thing that always worries me about the Soviets is that in their past history it has been shown they can misjudge a situation, and that is where I think the greatest danger lies.

The CHAIRMAN. It will make your work easier, will it not?

Mr. THOMPSON. I think so, yes.

The CHAIRMAN. Senator Wiley, have you some questions?

RUSSIAN ATTITUDES TOWARD AMERICANS

Senator WILEY. Yes. You speak Russian, as I understand it.

Mr. THOMPSON. Yes, sir.

Senator WILEY. You have intimate intercourse with the common people. You have been through Russia and Siberia.

Mr. THOMPSON. I have served there before, as you know, and the last time I was there I traveled a great deal. On this assignment, I have been there a year and a half, and so far I have had only two trips. I have another one planned to Siberia when I get back, but the officers in the Embassy are traveling almost continually. We have somebody out almost all the time.

Senator WILEY. From a man of your experience we have to ask for conclusions. Is it your judgment that the Russian people feel kindly toward the Americans?

Mr. THOMPSON. We have had a mass of travelers over there, not just officials, and they all have had the same experience. I think they agree with our conclusion that the Soviet people are amazingly interested and I would say pro-American.

Senator WILEY. Then, as I understand it, the Communist Party is supposed to have what, about 5 million?

Mr. THOMPSON. About 6 million now.

Senator WILEY. About 6 million. The attitude of the Communists themselves, then, is a result of sort of a mesmerized, what shall we say, fear. They are living in Europe, and have a desire for world domination. How do you analyze leaders who must realize the significance of the atomic age?

Mr. THOMPSON. I think a lot of it, Senator, comes from their ideology. They have built it into virtually a religion, and they feel that if any part of the theory is denied, the whole thing might be called into question. The theory in general calls for communism to prevail throughout the world and in time this is bound to happen. Therefore they are almost prisoners of their ideology. It drives them on to following these policies and trying to make the facts fit the theory.

Senator WILEY. You used the expression "prisoners of their ideology." Long ago the good book says the blind shall lead the blind; is that what you mean in this case?

Mr. THOMPSON. As I mentioned, Khrushchev was trying to get away from this, but I think the political pressures of the party have forced him back to a rigid and orthodox interpretation of the ideology.

INDIVIDUAL ENTERPRISE

Senator WILEY. As a result of the thinking of their leaders, is there any individual enterprise?

Mr. THOMPSON. Well, they certainly realize that they cannot build a successful productive system based simply on people voluntarily working for the good of all. It is only the incentive and the reward that will make them really get out and work, and they recognize that.

Senator WILEY. Does the government run and manage the overall industry?

Mr. THOMPSON. Everything.

Senator WILEY. They own it, then?

Mr. THOMPSON. Yes, sir.

Senator WILEY. And they have their managers in there?

Mr. THOMPSON. Yes.

Senator WILEY. Do they handle the distribution of what they produce?

Mr. THOMPSON. Every bit of it.

Senator WILEY. Is that also true in relation to agriculture?

Mr. THOMPSON. That is true, with the slight exception that each farmer is allowed to have a small plot of his own in addition to the collective farm, and the produce from that little plot he can sell on the so-called collective farm free market. Apart from that it is all state.

Senator WILEY. I was interested in what you were saying about a certain degree of freedom of expression. I understand that there are also classes in Russia, and that some folks have big salaries, even cars and servants, and others do not.

FEELINGS BETWEEN CLASSES

Does that create any feeling between the classes?

Mr. THOMPSON. It does, indeed. I think Khrushchev is conscious of that and, to some extent, is trying to correct it. He has reduced government salaries of the ministers materially, and under their present agricultural plans they have changed their whole price system for handling their agricultural output. In essence it looks as though what he is trying to do is to make the rich collective farms carry the poor ones.

There is a vast difference, even quite apart from the state, between the direct state farms and the collective farms themselves. Some, relatively few, are in very good areas, have good land and have prospered; they are now trying to bring up the poorer farms, and that requires investments.

Senator WILEY. Has there been any assassination of those who have spoken a little too loudly lately?

Mr. THOMPSON. Not that we know of.

ASSESSMENT OF EXCHANGE PROGRAMS

Senator WILEY. What do you think of the exchange of groups between our Nation and Russia, the youngsters, school teachers, businessmen, lawyers? And I think now the Soviets have suggested a parliamentary exchange with the United States Congress. I really have two questions: First, the general exchange between groups; and the second is whether or not a parliamentary exchange would be a good thing?

Mr. THOMPSON. As I said before, I am convinced that the general exchange program is excellent and is very much to our advantage, particularly as it does contribute to this evolution.

The two specific fields in which we have felt that formal exchanges are not wise were parliamentary and labor, the reason being that these have to be reciprocal. We dislike treating their parliament, which isn't a parliament, as a parliament; and we dislike officially receiving their labor unions, which are not labor unions. We think it is wrong.

It is fine for Members of Congress that come over individually, and we certainly would not stop any of theirs and would be glad to see them come individually, but not labeled as parliamentary delegations.

Senator WILEY. I see that the distinguished Senator from Minnesota is here. Did you arrange the 8-hour schedule for him? [2]

Mr. THOMPSON. No, I am not responsible for this. He did that on his own.

Senator HUMPHREY. I did. I asked.

Senator WILEY. All right.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Morse, do you have any questions?

Senator MORSE. Senator Humphrey——

The CHAIRMAN. You were waiting so long.

Senator HUMPHREY. I would like to yield to Senator Morse. I could not be here this morning, and I wanted to come by and at least pay my respects to Ambassador Thompson.

REPORTS OF SOVIET ADVANCEMENTS

Senator MORSE. The first round of questions I want to ask you, Mr. Ambassador, are these: Recently there have been in Russia at least three groups of American industrialists and educators—one group of steel manufacturers, and one group of electric utility producers, another group of college presidents or educators. Correct me if I have some misunderstanding, but I have been advised that the steel group came back and notified the State Department that Russia was making much more rapid progress in steel manufacture than we have been led to believe, and made a report that in connection with one process of steel manufacture, they were probably even ahead of anything in the United States.

Second, the electric utility people came back and made a report to the State Department to the effect that Russia was making surprising progress in the field of electric power development, and their report was quite contrary to what the previous impression had been.

Third, the educators came back and filed with the State Department a report that contained many favorable things about the Russian educational system. But the State Department felt that at least for the time being those reports should not receive a great deal of public emphasis.

My first question is: Were such groups in Russia? Second, did they file reports? And third, was the nature of any of the reports along the lines I have just described?

Mr. THOMPSON. In the first place, those groups did come, and there were more, too. There have been at least, in the educational field, four groups. Each of these groups when it comes back is at least de-briefed; but whether or not they filed formal reports, I do not know. I have not seen any except from the college presidents. They have made a formal report which has been published and which I think on the whole has been a very good one.

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[2] On December 1, 1958, Premier Khrushchev held an 8-hour interview with Senator Humphrey at the Kremlin.

I do not think the steel people filed a report, and of course some of this would get into the intelligence field because we would not like to advertise everything they did pick up which they did not know.

But the only formal report I have seen was the one from the college presidents.

Senator LAUSCHE. Might I interrupt? Someone sent me a booklet containing the description of the Soviet's growth in steel manufacturing. I read it.

Senator MORSE. I do not know whether that is the report.

Senator LAUSCHE. It may not be a report, but it came from the steel group which went over there, and is a complete description of what they saw.

SOVIET THREAT TO U.S. FOREIGN TRADE

Senator MORSE. Do you think, Mr. Ambassador, that in these particular fields—electric power and steel and manufacture of hard goods—the Russians are making such rapid strides that they will be an economic threat to us in the field of foreign trade within the next 10 years?

Mr. THOMPSON. First of all, there is no question they have made rapid progress, and steel in particular is one of the sectors they have concentrated the most on. In fact, they actually price their steel and iron within their internal economy below cost.

As I say, overall their growth rate of industrial production is scheduled at over 8 percent for the next 7 years, and with as big an economy as they have, that is a big increase.

Their rate over the past 5 years has also been even greater, percentagewise.

I do not think, however, that for at least 10 years the Russians are going to be a threat in the field of foreign trade overall. Their own needs are so great that the threat will probably arise in one or two ways: They probably miscalculate, which is why they had some aluminum to dump the other day, and they are going on to expand their alumium production because very shortly they will need much more than they have. The other way in which it will arise is that they will deliberately try to increase their influence in the countries of the Middle East and Africa by economic penetration, which they do now and will do better as their economy expands.

Apart from that, at least until they have built up their industrial base much bigger than it is now, they probably will not try to deliberately disrupt our economy with their economic policies. They would be very foolish if they did. They had better wait until they can carry it through before they attempt it.

U.S. ECONOMIC TRADE WITH THE U.S.S.R.

Senator MORSE. The newspapers leave an impression with me that Secretary Dillon is not very strong on any increase in economic trade with Russia. Is it true that some of these industrialists—I do not mean individuals but groups and committees—have come back with a recommendation that we ought to be increasing our economic trade and economic intercourse with Russia?

Mr. THOMPSON. I can speak only for the individuals I have talked to, and I find them very much divided. I must confess I am divided in my own mind on it.

I would like to see the same increased contact from trade that we have on the exchange of delegations. I think that would help speed the opening up of the Soviet Union and make it more normal and fit to live with. On the other hand, as long as they are pursuing so actively policies such as they have over Berlin, I would find it hard to say we ought to increase trade now.

In addition, there are certainly some obstacles which would have to be removed. For instance, they would have to settle their lend-lease account with us. Right now it would be illegal for us to give them credits and what is involved in credits. They can trade now in most commodities—some 90 percent of the items that we would normally trade with them are free of restriction—or they can readily get licenses.

They do not have anything with which to pay for it. What they want are credits, and that would be a serious step for us to take as long as they are pursuing the policies they are now.

Senator MORSE. I have another question along this line, but I will wait.

The CHAIRMAN. Senator Hickenlooper, do you have any questions?

Senator HICKENLOOPER. Yes, I do, Mr. Chairman.

APPREHENSION OF CHINA

Mr. Ambassador, is there any evidence of a growing apprehension in the Soviet Union of the might of China in the future? I know you mentioned the development of Siberia, but does one notice it in Moscow?

Mr. THOMPSON. We do. Of course, they deny it, particularly at the top. The signs may be small, but we see them. Our university students who were over there say the Chinese students do not mix with the Russians. They will mix with the satellite students and with ours.

But the Russians we talk to individually will show some concern about China. I think it very significant that it appears China is now shipping Russia more than she is receiving and is actually paying off her debts. That is a pretty good sign that the Russians are concerned.

RIGHT TO PROPERTY

Senator HICKENLOOPER. As to the incentive programs they are putting into effect, is there any such thing as an inheritance or vested right to property in Russia?

Mr. THOMPSON. Yes, on a very close relationship. You can bequeath property to a wife or——

Senator HICKENLOOPER. What do you mean by property, real or personal?

Mr. THOMPSON. Both. You see, they cannot own land, but they can own the house on the land. A lot of them have country houses called dachas.

Senator HICKENLOOPER. The land is owned by the government?

Mr. THOMPSON. Yes.

SOVIET EXPERIMENTS THAT FAIL

Senator Hickenlooper. With regard to the scientific progress of Russia, all we see is a statement of success. We see nothing about the Russian failure. On the contrary, we seem to take a sadistic glee in this country from the failures of the United States in their test programs and things of that kind.

Do the Russians publish reports of any programs or experiments that fail?

Mr. Thompson. Not really; certainly not in the missile field, although we know they have had failures. But one example is that very recently, they again exposed their differences over the biologist Lysenko—I think every biologist in the world has rejected his theories as being completely false—and have criticized him and his failures. Yet he seems to have the backing of Khrushchev, and his critics were criticized at the last meeting.

In a sense that is a scientific failure. Our scientists who have been there and a lot of others have been told very guardedly by their own scientists that they were very backward in this whole field because of Lysenko and the influence he exercises.

Senator Hickenlooper. But they do not say that——

Mr. Thompson. They do not announce it.

Senator Hickenlooper [continuing]. They sent a rocket and it went out only a couple of hundred miles and it blew up or its guidance system failed, or something like that?

Mr. Thompson. No.

HOW MUCH CRITICISM IS PERMITTED?

Senator Hickenlooper. Just one more question: I would like to have you state a little more, if you will, about how much criticism or grumbling is permitted now in Russia?

Mr. Thompson. They still have to be very careful, particularly with foreigners. All the people in the Embassy are closely followed, except when we get out of town and into the country where we have a chance for contact, and there they are sometimes quite free.

A number of our people, as well as other countries friendly to us, have described experiences to me. They will go into a restaurant and be seated at a table with some Russians and the Russians will start complaining. There is a lot more of it, certainly, then has ever existed before.

Senator Hickenlooper. Yes.

Thank you, Mr. Chairman.

The Chairman. Senator Humphrey, have you any questions?

SUPPRESSION OF MOSLEMS

Senator Humphrey. I would like to ask the Ambassador about a matter relating to the Moslems. There was a report which came out of London last fall or spring, that there had been some renewed activity of the Moslems in terms of their religious practices in the southern part—where would that be, in Uzbek?

Mr. Thompson. Yes, around Frunze.

Senator Humphrey. Have you had any reports as to further suppression of the Moslem minority in the Soviet Union?

Mr. THOMPSON. No recent reports that I have seen. The Pakistani Ambassador took a trip to that part of the world not long ago, and he got in contact with some of the Moslems there. He thought there was considerable resistance or opposition on religious grounds, but certainly no serious suppression that I know of.

Senator HUMPHREY. Why have we not done more about advertising to the Middle Eastern peoples the suppression of the Moslem faith? The reason I am asking this is that I was talking to a Moslem not long ago, and he was wondering why we had not said more about this, particularly as the Soviets seek to penetrate the Middle East.

Mr. THOMPSON. I think it is a good field to exploit. I do not know what is being done specifically, but it certainly is a field that can be usefully developed.

SOVIET LEND-LEASE ACCOUNT

Senator HUMPHREY. There are people who tell us that the Soviets are trying to make a settlement on lend-lease, and that our State Department representatives, or whoever negotiates these matters, are somewhat reluctant to discuss terms. Is that true?

Mr. THOMPSON. No, sir. There have been no discussions for a long time, but it was indicated to Mr. Mikoyan that we were prepared to discuss it at any time. He showed no interest; quite the contrary, he talks about their war sacrifices and that sort of thing, and leaves it at that.

When I first went to Moscow I suggested we open this thing up again. We had some maritime cases which would have made it complicated to deal with the ship problem under lend-lease, and our people for that reason preferred not to move at that time. But that is the only indication I have ever had. I have been suggesting for quite some time that we push them on this.

Senator HUMPHREY. I have been told that a settlement was recently almost arrived at relating to the rental of ships involving some $800,000. Is there something to that?

Mr. THOMPSON. I am not familiar—that is the claims I was talking about.

Senator HUMPHREY. The counterclaims the Soviets had was $600,000, and ours was $1,400,000, and it still is not completed.

Mr. THOMPSON. Yes, that is it.

SOVIETS NOW CLAMPING DOWN

Senator HUMPHREY. Would you say, Mr. Ambassador, that there has been a liberalization in the Soviet Union relating to the relationship of the people of the Soviets to their government, the relationship of people to people in the last 5 years since the death of Stalin?

Mr. THOMPSON. There has been an enormous difference in those 5 years. Unfortunately, though, in the last year or so they have turned back a bit. In connection with the satellites, they have given the people more freedom to choose their road, and now are clamping down; and I think the pressure within the Presidium on Khrushchev is about to tighten up.

Apparently he is trying to reduce the role of the police materially, and certainly the way they handled the Pasternak affair—in the old days this fellow would have been gone, but now they have been fairly gentle with him—encourages others to be critical.

KHRUSHCHEV'S POLITICAL PROBLEMS

Senator HUMPHREY. You mentioned Mr. Khrushchev's problems within the Presidium. Are you therefore of the view that Mr. Khrushchev does have some domestic political problems that he has to deal with on a continuing basis?

Mr. THOMPSON. I certainly do, Senator. I think he has fewer problems, actually, in the Presidium than in the Central Committee.

Senator HUMPHREY. Would you say that some of his statements relating to Berlin and the toughness that seems to surround those statements, were somewhat provoked or motivated by problems he faces in the Central Committee with the old Bolshevik crowd?

Mr. THOMPSON. I would doubt that. I think it is more a negotiating position to start with, and for the benefit of the East German regime.

I think his problem with the Presidium is that they think he has been too bold, rather than their pushing him.

Senator HUMPHREY. Too bold?

Mr. THOMPSON. Yes. On New Year's Eve we delivered our note at 3 o'clock in the afternoon, and that night at a big party at the Kremlin, Berlin was never mentioned in any of his toasts. That is quite out of character with Khrushchev. After we got up from the tables—there were about 600 people seated at the dinner—we went into another room and milled around; I talked to him for about 20 minutes, and I did not mention it and he did not either, and again that is out of character. And he was told——

Senator HUMPHREY. To lay low?

Mr. THOMPSON. "This is too tricky, and you keep quiet until we can work out our line."

Senator HUMPHREY. He said during this long talk—everybody kids me about that—that the members of the Presidium would not let him get out of hand about a war.

Mr. THOMPSON. Yes.

U.S. CONTACTS WITH EASTERN EUROPE

Senator HUMPHREY. I have one final question relating to the Eastern countries. You said you thought the Soviets were tightening up on their relationships with the Eastern captive countries. Is that correct?

Mr. THOMPSON. Yes.

Senator HUMPHREY. Do you feel, therefore, that it is important for us to step up our contacts with these Eastern countries? And when I say "contacts," I mean educational, cultural, as well as economic.

Mr. THOMPSON. I think we should go as far as we can without building up trouble for them in the sense of the contacts being cut off altogether. We should feel our way and go as far as we can without starting the backfire.

Senator HUMPHREY. Thank you.

The CHAIRMAN. Your time is up.

Senator CHURCH. Mr. Chairman, I have to forgo some questions, because I will have to leave. I wish only to say to the Ambassador, I appreciate your coming back this afternoon. Your statement has been most helpful, and I think in accommodating us you did us a great favor. I am sorry I cannot stay.

The CHAIRMAN. We are sorry you cannot.

Senator Langer?

BERLIN RESOLUTION

Senator LANGER. In going around Russia, do you find many Germans in the universities?

Mr. THOMPSON. No.

Senator LAUSCHE. May I interrupt? Are we going to do anything about the resolution we discussed this morning? I think it is important. Something ought to be done about it, and we will not be able to do it with only a few of us here.

The CHAIRMAN. You mean in view of the gradual drifting away. You want to keep a majority.

Senator LAUSCHE. That is what I had in mind.

Mr. MARCY. This was the Berlin resolution.

Senator LAUSCHE. I think it is important.

The CHAIRMAN. Will you excuse the interruption, Senator Langer?

Mr. MARCY. There has not been a quorum present, Senator.

Senator LAUSCHE. Let it go. Pardon me for interrupting.

Senator HUMPHREY. There was a quorum until Senator Church left.

Mr. MARCY. A quorum would be nine. There have been as many as 10 in here, but not at the same time.

The CHAIRMAN. What is a quorum now?

Mr. MARCY. A quorum would be nine.

Senator MORSE. I think the sooner we adopt a resolution, the better.

Senator LANGER. What is the resolution about?

Mr. MARCY. I will read it if you wish. This is a resolution which has been considered before. This will be the third meeting at which it has been brought up, so it has been before many more than a quorum of the committee at various times. It relates to Berlin, and it has the informal approval of the Department of State, and was approved by Mr. Dulles informally when he was before the committee the other day. It reads:

> Resolved, That with respect to the threat posed to West Berlin the Senate fully supports the proposition set forth in the North Atlantic Treaty Organization communique of December 16 that "the member states of the North Atlantic Treaty Organization could not approve a solution of the Berlin question which jeopardized the right of the three western powers to remain in Berlin as long as their responsibilities require it, and did not assure freedom of communication between that city and the free world.

The CHAIRMAN. Is there any discussion?

Senator MORSE. Would you have Mr. Marcy read to them the short phrase that I suggested which was in one of the copies, which refers specifically to the Executive?

SECRETARY DULLES' CONCERN

Senator HUMPHREY. Before that is done, Mr. Chairman, I feel if we are going to adopt a resolution, we should have here before the committee the Secretary, the Assistant Secretary for European Affairs, the people who are fully acquainted with this from the State Department; we should not be told informally that is all right. I want to get the formal approval.

Senator HICKENLOOPER. Did not the Secretary approve this? He approved the resolution before the committee.

Senator Lausche. I read his testimony this morning, and he was emphatic about the good it would do. The language of the resolution was read to him.

The Chairman. I do not think there is any question about the attitude of the Secretary.

Mr. Macomber. Mr. Chairman, the Secretary wholeheartedly supports the language of this resolution, and feels it would be very helpful. His only concern is this: He thinks the impression abroad is good right now, as far as this particular issue goes, and that the Congress is united and stands behind the Executive.

The passage of this resolution would strengthen that attitude. However, if, in the judgment of the members of the committee, it would lead to a hassle on the floor, then we would lose ground rather than gain ground. If, in the judgment of the committee, the resolution would go through with emphatic support on the floor and not have debate on related matters, if it could be put through easily——

The Chairman. Is it not a question as to whether this committee should adopt it?

Mr. Macomber. Yes.

The Chairman. That is all.

Mr. Macomber. That was the Secretary's reaction to it.

EFFECT OF THE LAST ELECTION

Senator Morse. Mr. Chairman, you will remember that when the Secretary was before us, he indicated that Mikoyan did not see how this administration could possibly hope to proceed with its foreign policy with such an election result as that of last November.

I suggested that if we adopted a resolution it would be wise to include in it language such as this which respectfully supports the position of the Executive as set forth in the North Atlantic Treaty.

The Chairman. Yes.

Senator Langer. Mr. Chairman, I raise the question of no quorum. I do not think six or seven of us should pass this resolution. We should have at least a quorum. What harm would it do to let it go over 2 or 3 days or more?

The Chairman. That is the reason we have not acted on it. When we chose to bring it up this morning, there was not a quorum either.

Senator Lausche. Mr. Chairman, I do not think there will be a time as ripe as this to get the resolution passed. Maybe we cannot pass it without a quorum, but tomorrow when Mikoyan is gone, and his influence is being pondered by the people, the resolution will no longer mean as much as it means at this very minute.

Senator Humphrey. I agree with that. The resolution has a timeliness to it that is very important.

The Chairman. I understand a point of order has been made.

Senator Lausche. Why can we not in some way contact the members of the committee so as to get this out of the way. A week from now, you might as well forget it.

A FEELING OF SOLIDARITY

Senator Hickenlooper. Mr. Chairman, when this was first discussed with the Secretary I was not here, and the matter was presented to me in the cloakroom as a resolution. It is an important resolution, and I said that if it comes up before the committee I would vote for it, but I do not think I ought to initial it in the cloakroom without having heard any discussion of it.

I was ready to act because I did look into it, and I read it. I think it has been submitted to practically every member of the committee one way or the other and this has been about the third time it has been up. Almost everybody has had a chance to look at it, so I do not think it is really taking the members by surprise.

Senator LANGER. What is the reason for haste?

Senator HICKENLOOPER. I had nothing to do with introducing or preparing this resolution, and I did not know anything about it until it was introduced. But I understand it would be advisable to give a feeling of solidarity on this Berlin situation so that there would be no miscalculation on the part of the Russians or anybody else that we were supporting the North Atlantic Treaty countries' position of noninterference with Berlin.

The CHAIRMAN. It would be worse, though, to have a question raised as to whether there was a quorum present when it was passed.

Senator LAUSCHE. Is there any way that we can call another meeting?

The CHAIRMAN. There will be a lot of meetings.

Senator LAUSCHE. Now, while the circumstances are such that this resolution will be effective, Senator Langer, Mr. Dulles testified that Mikoyan said that the people of the United States, with a Republican President and a Democratic Congress, will never be united on a policy dealing with these international problems. Mr. Dulles expressed the opinion that it therefore would be tremendously helpful if we showed that there was unity of thought on this question between the Executive and the Congress.

The CHAIRMAN. I would suggest that we defer action until tomorrow morning at 10 o'clock when we have another meeting of this committee, and that in the meantime word be given to those not here now, urging them to attend.

Senator MORSE. Satisfactory.

The CHAIRMAN. You had the floor, I believe.

Senator LANGER. I understand what Senator Lausche sees.

The CHAIRMAN. Would that meet with your approval?

Senator LANGER. I think that is reasonable. But we will meet tomorrow morning at 10 o'clock.

Senator LAUSCHE. That is fine.

The CHAIRMAN. We will make a special effort to get as many present as possible in person or by proxy.

SOVIET TRAINING OF CUBAN REVOLUTIONARIES

Senator LANGER. Mr. Ambassador, I want to come back to Castro. I have information—I do not know how reliable it is—that in Russia they have a set up which teaches folks how to start a revolution.

Mr. THOMPSON. Yes.

Senator LANGER. Castro or his brother was over there for 2 years.

Mr. THOMPSON. I don't know specifically about Castro. The Soviets certainly have such training schools and have large attendance, and it is quite possible.

Senator LANGER. And my information was that money was furnished to the revolutionists in Cuba. I don't know how one could ascertain that definitely.

Mr. THOMPSON. I have no knowledge on that subject, Senator.

Senator LANGER. Then going back to the German situation, after the war you know they were over there by the thousands.

Mr. THOMPSON. I don't mean there are few of them. The place is full of Chinese and people from all over the world, but few Germans, even East Germans, compared to the others.

The CHAIRMAN. Have you an objection to acting on the proposal that we defer action on this until tomorrow morning's meeting?

Senator LANGER. No, let's do it tomorrow morning.

DELAY RESOLUTION FOR A DAY

The CHAIRMAN. Tomorrow morning at 10 o'clock we have a meeting here anyway. Can't we vote now to defer action on this until then? Is that agreeable with you?

Then if there is no objection, it is unanimously voted.

Senator LANGER. As a matter of fact, I move we take action tomorrow morning and make it the first order of business.

The CHAIRMAN. Unless there is some other objection raised, then.

Senator LANGER. I have no further questions.

Thank you.

The CHAIRMAN. You haven't had any opportunity. Have you any questions to ask the witness?

Senator AIKEN. I hav some.

The CHAIRMAN. Senator Lausche comes first.

SOVIET ALUMINUM POLICIES

Mr. LAUSCHE. The other day the aluminum people appeared before the Senate, and through their representatives emphatically declared that the Soviet threw into the aluminum market about 20,000 tons under agreements in which they promised to sell at 2 cents a pound below whatever the world market price was, and they pointed out the destructive impact that policy had.

They then went on to say that they find themselves in a difficult position to compete with the Soviet Union, which owns these factories and fixes prices without relation to costs.

My question is: As you understand it, did they deliberately throw that aluminum in at 2 cents below the world market price?

Mr. THOMPSON. I am not certain of the exact price at which it was sold. I heard Mikoyan say they sold it at world prices.

Senator LAUSCHE. That is right.

Mr. THOMPSON. Whether what the actual price was, I don't know. I suspect it was below, because at that time the companies in the world market lowered their own prices, apparently to meet it. It is probably true they did cut the price.

Senator LAUSCHE. This man said if we will see the contract, we will be positively informed that Mikoyan did not tell the facts with reference to the contents of that contract.

Mr. THOMPSON. I think that is very probable.

SOVIET TRADE INTERESTS

Senator LAUSCHE. With respect to the purpose of Mikoyan's visit, what, in your opinion, do they want most from our country regarding trade?

Mr. THOMPSON. I think it is quite clear they want technological know-how in the chemical industry more than anything else.

Senator LAUSCHE. Do they want heavy equipment and products from us, and especially are they interested in steel?

Mr. THOMPSON. Their interest in steel is not great. They have bought some steel recently, but I think that is temporary.

Their big interest is in the plants for producing plastics, artificial fibers, all basic chemicals to that industry, and particularly the know-how. They want the most modern processes in all of those fields. They can buy quite easily last year's models or those of years ago, but they want the latest and the best.

Senator LAUSCHE. I understand they bought 20,000 tons of steel from Republic. Do you think there is any relationship in that purchase with the intimate relationship they have established with Cyrus Eaton?[3]

Mr. THOMPSON. I doubt it, but I think that normally they buy wherever they can get the best, and [Republic's] delivery is the best. I just don't know.

DOUBTS SOVIETS ARE DUMPING GOODS

Senator LAUSCHE. If we give them the know-how on the chemical products, am I fair in assuming that after they have acquired that we will be faced with the same type of economic warfare, with their advantage of regimented labor, governmentally subsidized industry, without having price related to cost on chemical products, as we have on aluminum and the other things that they are dumping?

Mr. THOMPSON. Let me say first of all that I doubt very much that our industries are going to supply this. Their experience with the Soviets has been rather bad, particularly in the protection of the patents and know-how. When you sell a plant you make a specific arrangement about the sale of the plant; but when you sell a process, it is a continuing thing, and the experience that our people have had with them in that field has been very poor. But to answer the rest of your question, I don't think that for a good many years—I would guess 10 at least—the Russians will deliberately plan to do this kind of dumping or unfair competition because in their overall plan, they will plan to use whatever the output is for themselves. It is only the temporary surplus that they might dump in the world markets.

Senator LAUSCHE. Yes.

Mr. THOMPSON. Ten years from now it may be quite different, but in the meantime their own need is so great that I don't think they will do it. They may in some specific cases to bring pressure, but another reason I think they won't do it is that in addition to this aluminum deal, they also dumped some tin. They created repercussions throughout the world, in Bolivia and Singapore and elsewhere, and I think they have realized that is counterproductive.

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[3] Cleveland industrialist Cyrus B. Eaton favored disarmament and increased east-west trade. In September 1958, he met with Khrushchev in Moscow, and on January 7, 1959, Mikoyan visited Cleveland as Eaton's guest.

They would very much dislike having the world stop doing business with them because they would consider it dangerous. So this is a problem for the future, but I doubt very much that it will be a very real one in the near future.

SOVIET GOLD PRODUCTION

The CHAIRMAN. I think Senator Aiken ought to get in some questions today. He hasn't had a chance.

Senator LAUSCHE. Go ahead, Senator Aiken.

Senator AIKEN. I will make it short, Mr. Chairman.

If the Russians want to buy from us and don't have any money, why don't they offer to pay in gold?

Mr. THOMPSON. I don't know. They are selling some gold on world markets, and how much more they are holding that is available, I don't know. That is one of the hardest things to get in the country.

Senator AIKEN. We hear they are producing gold.

Mr. THOMPSON. Yes.

The CHAIRMAN. Is that all?

Senator AIKEN. That is all.

Senator MORSE. Mr. Chairman, could I ask some questions?

The CHAIRMAN. Yes.

PHONY BUDGET

Senator MORSE. I am trying to find out what their attitude is on trade. Is it true that about 25 percent of Russia's present budget goes to armaments, or is it higher?

Mr. THOMPSON. I don't recall offhand the percentage, but their budget is so phony that it really would be meaningless, since they include all of their industry in their budget, and the prices at which they put in the various items for their internal purposes, their iron and steel, is really subsidized. It is a great handicap to them because when they want to decide, for example, between various sources of power in a given area, they don't know which is the most economical, because of these phony figures. It worries them very much, and they are trying now to overcome it and get on a more realistic basis.

We have found in examining their budget figures that they are meaningless and misleading.

SOVIET CONCERNS ABOUT ARMAMENT COSTS

Senator MORSE. I had a feeling as I listened to Mikoyan that Russian leadership is concerned about armament costs.

Mr. THOMPSON. Yes.

Senator MORSE. And they are making noises about disarmament. How sincere do you think they may be in trying to work out an accommodation for reduction in armaments?

Mr. THOMPSON. This was one of the reasons I led off by talking about their industrial plan and the difficulties they are going to have in meeting it. There is a problem of labor shortage. Before, they were able to siphon people off the farms to take care of the expansion of their labor force, but this is getting more difficult to do. They also have to raise their agricultural production materially.

The strain on their scientific and engineering brains to keep up this race is very great. They would like to divert some of that, particularly

Khrushchev, who thinks that production answers everything. He would like to divert some of it to ordinary economic production.

MIKOYAN'S MEETING WITH INDUSTRIALISTS

Senator Morse. Do you think that Mikoyan made progress with industrialists in the United States—I am not talking about Cyrus Eaton; I am talking about Wall Street, Chicago and San Francisco—in the direction of urging some relaxation of American trade with Russia?

Mr. Thompson. I have seen very few signs of it other than the fact that they were polite to him. From what little I know about it, the people he really wants to trade with are chemical people, and they are not very disposed to do it.

ANTI-SEMITISM IN THE U.S.S.R.

Senator Morse. One other question on a different subject.

Some of us have Jewish constituents, and we hear from them frequently about the alleged anti-Semitic drive in Russia.

Can you tell us what your observations have been as to the extent of any anti-Semitism in Russia, and what form it takes?

Mr. Thompson. I have seen nothing to support the recent newspaper article saying that there are plans to move them wholesale to Birobidzhan.

Senator Lausche. Repeat that.

Mr. Thompson. There were newspaper reports of plans to send them out to the Jewish Republic which they started in the Far East. but we do see many signs of anti-Semitism in the Soviet Union. They are hard to spot. These are naturally rather small things, because every Russian has in his passport his race, and it is marked whether he is Jewish or not. It is on their mind, because I have heard Khrushchev at cocktail parties suddenly say, "You know, I have been asked about whether we are anti-Semitic, and we can't be, because Voroshilov's wife is Jewish, and my son-in-law is Jewish," and that sort of thing.

But it doesn't change the fact that the Jews feel it, and one of the signs of it was that during the youth festival two groups of Jewish people came, one group were Communists and the others were not. The ones who weren't put on a concert in which they played a lot of their old music, and the crowd got emotional. Incidentally, they had changed the place where it would be in order to try to cut down the crowd at the last minute. But they all found out about it, and the crowd got so worked up that they were not allowed to put on any more performances. From individual contacts we see, there is no question that anti-Semitism is very strong.

Senator Lausche. What was the anti-Semitic aspect of this incident?

Mr. Thompson. There was old Jewish music and Hebrew music. The crowd was in tears and very emotional; and they wouldn't let the performers leave.

RESTRICTIONS ON JEWISH MIGRATION

Senator Morse. Are they placing any restrictions on migration by Jews to Israel?

Mr. THOMPSON. Oh, yes; they can't get out. There are campaigns in the press by people who have allegedly returned from Israel saying that conditions are awful; you shouldn't go.

Senator MORSE. There is nothing, then, to the reports that they are about to grant permission for a certain number of thousands of Jews to leave Russia and go to Israel?

Mr. THOMPSON. There might be. The reason they don't carry through on this—and I suspect they may have given it very serious consideration—was that a good deal of their scientific brains are Jewish, and they don't feel that they can forgo them at the present time.

Senator MORSE. That is all, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. THOMPSON. Thank you, gentlemen.

The CHAIRMAN. Mr. Ambassador, we have taken a great deal of your valuable time. I must congratulate you; on the standard of other diplomats who have appeared before us, you stand very high.

Mr. THOMPSON. Thank you.

The CHAIRMAN. You have known what you have talked about, and you have been ready to communicate your ideas.

Mr. THOMPSON. Thank you.

The CHAIRMAN. If there is no further business, a motion is in order. All those in favor say aye.

[Chorus of ayes.]

The CHAIRMAN. Contrary-minded, no.

[No response.]

[Whereupon, at 5:30 p.m. the executive session adjourned.]

MINUTES

WEDNESDAY, JANUARY 21, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session in the committee room, F-53, Capitol, to hear C. Douglas Dillon, Under Secretary of State for Economic Affairs, at 10:05 a.m.

Present: Chairman Green, Senators Fulbright, Humphrey, Morse, Gore, Lausche, Church, Wiley, Hickenlooper, Aiken, and Carlson.

The Under Secretary reviewed the broad range and main objectives of the United States economic foreign policy.

For record of proceedings, see the official transcript and published text.

[The committee adjourned at 11:45 a.m.]

MINUTES

FRIDAY, JANUARY 23, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON AMERICAN REPUBLICS OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met at 3:30 p.m. in informal executive session in room F-53, Capitol.

Present: Chairman Morse, Senators Hickenlooper and Aiken.

The purpose of the meeting was to greet Governor Louis Munoz-Marin of Puerto Rico.

[No record of the proceedings was kept.]

UNITED STATES FOREIGN POLICY

MONDAY, JANUARY 26, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, at 10:05 a.m., in the committee room, U.S. Capitol, Hon. Theodore Francis Green (chairman) presiding.

Present: Chairman Green, Senators Fulbright, Mansfield, Gore, Lausche, Wiley, Hickenlooper, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff. Robert Amory, Jr., CIA Deputy Director (Intelligence), and John S. Warner, CIA Legislative Counsel.

The Chairman. The meeting will please come to order.

Mr. Dulles is waiting in the other room until we have organized. Before proceeding to hear the scheduled witness this morning, I want to call the committee's attention to various reports which have appeared in the press in recent days to the effect that these hearings are being held in closed session, only because of my insistence, and that I refused to allow the committee to vote on whether they should be held in public or executive session.

Every member of the committee knows that this question has never been raised in committee. A motion to open a closed hearing, or to close an open one, will always be entertained by me at any time. No such motion has been made in regard to any of these hearings.

There is no uniform practice of the committee as to whether general hearings of this type are held in public or private. The committee does have a long-standing custom that all hearings on legislation and treaties will be public unless otherwise ordered by specific vote of the committee. A similar rule applies to hearings on nominations. But hearings of a more general nature with which we are now concerned have been dealt with ad hoc.

PREVIOUS PUBLIC HEARINGS

I might remind the members of the committee, however, that we had a long series of hearings last spring in open session during which we heard the Secretary of State and virtually every Assistant Secretary of State.

In this particular case, however, and following our practice in recent years, during the organizational period of the committee it was decided after consultation with the Department of State, the Joint Chiefs of Staff, and the Central Intelligence Agency to have these hearings in closed session. Officials of these agencies indicated that while they would be willing to appear in public, they would be more frank and informative in private.

It has been my thought that when these hearings are concluded, the transcript will be edited, deleting classified information, and will then be published. If that is not agreeable to any member of this committee, I hope he will say so now, and in committee meeting.

Unless I now hear a motion to the contrary, I will assume that it is agreeable.

DISAPPOINTMENT WITH EXECUTIVE TESTIMONY

Senator FULBRIGHT. Mr. Chairman, I don't think that some of these hearings are worth reprinting. Mr. Dulles' statement was peculiarly lacking in any new material. I am disappointed that although you gave them in your letter an opportunity to come and speak frankly, I do not think they have done anything that warrants any special publication.

The CHAIRMAN. I would like to get this on the record because these statements keep coming to me from outside, criticizing me for not having done this or having done that, and the committee has taken no action.

Senator FULBRIGHT. I do not recall we ever discussed the matter. All I can recall is that the chairman wrote a letter. I thought, on the theory that if you would hold executive hearings, they would respond with much more frank and open discussions than customarily were given.

The CHAIRMAN. That is true.

Senator FULBRIGHT. I don't think it has really resulted in very much. Therefore, if they are not really going to be informative, they might as well be open and let the press see and hear.

That is my feeling. It is not criticism, but a suggestion.

The CHAIRMAN. I don't know whether we should proceed as we have been doing, and I don't wish to proceed contrary to their wishes.

Senator FULBRIGHT. But Mr. Allen Dulles always has maintained his attitude, which I expect is justified, on the CIA. On all others, maybe we ought to have them in open hearing, just to get rid of this criticism.

CALL FOR AMBASSADOR THOMPSON TO TESTIFY

Senator LAUSCHE. I think this discussion has been precipitated by the activities of one man in Cleveland. He sent a telegram to me asking that I suggest to the committee that Thompson be called and permitted to testify in public.

He further stated that Thompson was in direct disagreement with the administration, and if he were permitted to testify in public, that would be divulged.

Senator FULBRIGHT. I don't know about that.

Senator LAUSCHE. I wired back and said that Thompson was to appear, but not because of his suggestion, and it would not be a public meeting.

Senator FULBRIGHT. That isn't the question, though, that Senator Green raises. That is entirely different.

Senator LAUSCHE. I am saying that is how it was precipitated.

Senator MANSFIELD. He must have wired Drew Pearson, too, then, because it was in one of Pearson's columns.

Senator LAUSCHE. That was followed up by the newspaper men of Cleveland contacting me and saying, "You always have held that public business should be discussed in public." It was obvious that those newspapers in Cleveland were contacted by this man with the purpose of putting the spur on me.

There was a lot of testimony given here last week that was intended to be for us, and it was not advisable that it be for public consumption. I say that especially because they tell me how much difficulty they have in ascertaining Russia's military strength. That is what our difficulty is.

Senator Fulbright. Are you talking about Thompson, now?

Senator Lausche. McElroy and Twining.

Senator Fulbright. I would agree Twining and McElroy made very good witnesses. I thought they did better than usual.

DEFER DISCUSSION

The Chairman. Now that all of the members of the committee are here, the question is whether I am proceeding in accordance with the wishes of the committee. I have never sought to violate or go behind or around what I understood to be their wishes.

Senator Fulbright. Mr. Chairman, I did not realize this discussion was going to come up, and there are not many members here. I would much prefer it be deferred until we hear Mr. Dulles. We can then give every member a chance to talk about it and then have a later discussion.

The Chairman. I want to give you something to think about. We will call Mr. Dulles in now.

[Whereupon, at 10:20 a.m., the committee proceeded to other business.]

ESTIMATE OF SOVIET INTENTIONS AND CAPABILITIES

The Chairman. Our witness this morning is the Honorable Allen W. Dulles, the Director of the Central Intelligence Agency, and in my letter of December 16 to the President, I asked that testimony in the field of intelligence cover the following points:

First, an estimate of Soviet bloc intentions.

Second, an estimate of Soviet bloc capabilities—military, economic, political, and scientific.

And third, an estimate of the nature and direction of nationalist movements in Asia and Africa.

It has been my purpose in holding these hearings to provide members of the committee with background information for their use in connection with the committee's activity during this session of Congress.

This hearing will be the last of the current session's background series.

Mr. Dulles, will you please proceed in your own way with such information as you think we ought to have?

STATEMENT OF HON. ALLEN W. DULLES, DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Mr. Dulles. Mr. Chairman, and gentlemen:

The subject you have given, Mr. Chairman, is quite a broad one. I will cover it as best I can, and if you find that I am covering information that has already been given to this committee by others so that you will want me to cut short on any particular point, I would be glad to get that advice from you.

The CHAIRMAN. I am sure those will be great exceptions. We want to get your views on the matter. We have received the views of others.

Mr. DULLES. Thank you, Mr. Chairman.

I will turn to the first two points that you referred to in your letter, namely, an estimate of Soviet bloc intentions—and I broadened that a bit to cover the Sino-Soviet bloc, as in many cases Soviet Russia and Communist China work in parallel lines. Then I will give an estimate of the Soviet bloc capabilities.

NEW TENDENCIES IN SOVIET POLITICAL SCENE

I last had the honor of appearing before this committee on July 29 last year. There have been several new tendencies in the Soviet political scene since then.

Externally, the lines of conflict with the West seem to have tightened. The reduction of tensions is no longer a major Soviet foreign policy theme. I think it will be important, however, for us all to watch closely the developments at the 21st Party Congress which will be convening tomorrow, to see what line they take and whether the recent visit to the United States of Mikoyan has any influence. The statement that Mikoyan gave the other day was a little more conciliatory than we had expected. At the end of his visit it looked as though he were preparing for a sour note rather than a conciliatory note.

INTERNAL SITUATION IN U.S.S.R. AND CHINA

Internally in the Soviet Union and in Communist China, there has been an attempt to stabilize and consolidate and to check the pace of change. Both Khrushchev and Mao felt that the pace of internal change—and I am speaking not of industrial advance, but about the political situation—seemed to be going too fast.

We had the Hundred Flowers doctrine in China, which was rudely put down. And there were certain developments in the Soviet Union which, it seems to us, Khrushchev felt should be braked a bit as they might be moving too fast for the safety of their position.

There has been a return to a certain rigorous policy in ideology, but there has been no reversion to the old police state of Beria. We do not see much change in arrests, concentration camps, police action, and the like.

We believe Khrushchev to be firmly in control, but it is always possible that maneuvering for the succession may be under way.

The men to watch, we feel, are Suslov, Kirichenko, and Kozlov.[1] Today the last of those three seems to us the most important if there was any accident to Khrushchev.

NEW ASSERTIVENESS IN SOVIET POLICY

Mr. DULLES. There has been a new assertiveness in Soviet policy. As examples I would cite their action or their notes with regard to Berlin, their aggressiveness in the Middle East, particularly in Iraq, and their apparent support of Communist China in the Taiwan Straits action.

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[1] Mikhail A. Suslov, Secretary of the Soviet Communist Party; Alexi I. Kirichenko, member of the Communist Party Presidium, and Frol L. Kozlov, First Deputy Premier.

The return to the harder course may have been considered desirable by the Soviets because of the ever-present problem they have in Eastern Europe and the threat to the Soviet position there, which is evidenced by the revolts in Hungary and in Poland some time ago. There is still uneasiness in parts of the satellite areas, although we assume that they have the situation under adequate control.

The Soviets feel there is broadened opportunity because of the breakdown in the democratic procedures in certain non-bloc countries, to which I will refer in more detail later. And the Soviets have a feeling of an enhanced military-economic position relative to the West, particularly in certain of the undeveloped countries of the world.

In their view, there is a good prospect for increased bloc economic strength and penetration. Also, they feel that there may be a growing Communist influence in parts of Asia, Africa, and the Middle East at the expense of Western influence.

FEAR OF RETALIATORY POWER

But despite the Soviets' confidence and rather militant attitude, it is our feeling that they still wish to avoid nuclear war with the United States. Despite their progress in ballistic missiles, they feel that U.S. retaliatory capability would threaten Soviet survival in the event of all-out war.

They profess to believe in the achievement of final Communist victory through political rather than military struggle.

There are continuing possibilities, of course, of limited wars, especially indirect aggression, if they think that could be used without unacceptable risk.

The danger in the situation is that this might lead to miscalculation. I would estimate though that the Soviets would be rather cautious in using the Korea-type activities—that is, war by proxy.

Senator MANSFIELD. Mr. Dulles, would you read that sentence again about our retaliatory power, their fear of our retaliatory power?

Mr. DULLES. Despite their progress in ballistic missiles, they would feel that U.S. retaliatory capability would threaten Soviet survival in event of war.

Senator MANSFIELD. Is it a proper inference on the basis of that statement that the Soviet Union is ahead of us in the field of missiles?

Mr. DULLES. Senator, I have always felt that in my job I ought not to engage in comparative estimates. I don't purport to be an expert in where we stand in the missile situation. I have felt that the intelligence community should restrict its activities and its judgments to trying to give the clearest possible estimate of where the U.S.S.R. or Communist China, or any foreign power, stands, and I should not draw comparisons.

Senator MANSFIELD. I can understand your point of view, and the only reason I raised it was that I inferred from that particular sentence they were. I missed a lot of meetings last week and there have been estimates made and a lot of figures given on a ratio basis which supposedly have been interdicted by the CIA and other intelligence agencies indicating just what the Soviet Union had in comparison with us.

But I understand your position and will not pursue the question.

Mr. **Dulles**. That particular sentence is not limited, as far as we are concerned, to ballistic missiles.

UNITED STATES INTELLIGENCE BOARD

The full paragraph, which I have summarized from our national estimate of 23 December, has the most recent estimate we have.

Senator **Gore**. Is that your estimate, or that of the National Security Council?

Mr. **Dulles**. This is the estimate of the U.S. Intelligence Board [USIB].

Senator **Gore**. Yes.

Mr. **Dulles**. I am chairman of it, and there is on that Board the senior intelligence representatives of the Department of State and Defense, the Army, the Navy, the Air Force, the Joint Chiefs of Staff, the Atomic Energy Commission, and the National Security Agency [NSA]. The FBI sits in with us for discussions relating to any foreign matter which affects our domestic security. They do not participate in the estimates. All the other elements I have mentioned have participated in the preparation of this intelligence estimate, and there is no dissent on this paragraph.

The **Chairman**. Is that unanimous?

Mr. **Dulles**. That is unanimous.

SOVIET ATTITUDE TOWARD WAR

Senator **Capehart**. Are you reading from a public document?

Mr. **Dulles**. No, sir. This is a highly secret document that gets a very limited distribution to the members of the Security Council, but gets no circulation whatever. It is a top secret document.

> Attitude toward war.
>
> We believe that at least for the period of this estimate the Soviet leaders will continue to put their main reliance in the struggle with the West on such political weapons.

We have described to you their political activities before.

> Despite the continuing growth of their military power, in particular their acquisition of growing capabilities for nuclear attack on the United States, we continue to believe that they will not deliberately initiate general war. They will probably estimate that, even with a lead in long-range missiles

—that does not necessarily mean whether they have it or not, but even if they had it—

> they will probably estimate that even with a lead in long-range missiles they could not be certain of winning a general war, and that the scale of damage in such a war would threaten the survival of their society.

The period of this estimate runs through 1963. We are trying to estimate over roughly a 5-year period.

CONTRADICTORY REPORTS

The **Chairman**. Senator Gore.

Senator **Gore**. I don't question the sincerity of the judgment, and it surely must be based on far more knowledge and information than is available to me. It does not exactly comport, however, with what limited study and reading I have made of Soviet military journals and estimates.

I only raise that point in passing. I don't wish to divert Mr. Dulles from his statement.

But I also suggest that your own summary of the paragraph is not exactly on all fours with the paragraph, but is only a variation.

Senator CAPEHART. May I ask, what is the Senator trying to prove?

Senator GORE. I am not trying to prove anything.

Senator CAPEHART. What was the purpose of your comment?

Senator GORE. To say to the committee that from my limited reading of the Soviet military journals, quotations, their own analyses and statement of their strategic position, they would expect in a general all-out war to be able to survive, which is not on all fours with the statement just made.

Senator CAPEHART. I understand the statement he made to say that we feel in all-out war we could defeat them and they would be unable to survive in a nuclear war.

Your position is that you don't think as he does?

Senator GORE. I think you misunderstood what I said.

Senator FULBRIGHT. Mr. Chairman, I think we ought to permit the witness to continue, and then on the basis of the record we can straighten out anything any of us believe about it. I respect everybody's opinion, but we have the witness here for only a limited time.

OBJECTION TO SYSTEM OF QUESTIONING

Senator CAPEHART. Mr. Chairman, let me say this: I have been on this committee for 3 or 4 years, and I want to serve warning now that I expect to take more part in the committee from now on, and I do not intend, unless it is a by majority vote of the committee, to be stopped from taking part in it.

I want that definitely understood. I feel that as a result of the system we use here of going around the table, we junior committee members have been unable to take much part in the deliberations.

Unless a system can be worked out in which we can take more part in it, you are going to have quite a stubborn mule on your hands in my case, because it seems as though every time we on this side want to ask some questions, we are closed down.

It was perfectly all right for Senator Mansfield, Senator Gore, and others to talk a moment ago, and I think they should. When we have something as important as what we are talking about here, we ought to bat it back and forth. I feel that when a subject is of interest and is pertinent, that is the time to argue about it and talk about it and bring out the points, not 6 or 8 hours later.

This committee has been very ineffective, as far as I am concerned, because about the time we get into what I think is the most important thing we could discuss, there is a tendency to stop us. The very subject we have been talking about is in the press every day, in the minds of Senators. And that is, are the Soviets so much stronger than we are in nuclear and long-range missiles that they can destroy us?

It is a very important subject. I think it is one we ought to have more information on, and yet when we get into it, there is a tendency to want to stop us. I am not going to sit idly by, as I have in the past.

LEAKS TO THE PRESS

Another thing I am not going to do—I might as well get all of these out of my system at one time—is to idly sit by as I have for a number of years in executive sessions in which I refused to tell the press what happened, and have others go out and tell the press exactly what happened. I read in the paper what takes place in here after newspaper men ask me to tell them what happened and I refuse to do so. Then I pick up the paper and read about what went on.

EQUAL CHANCE TO PARTICIPATE

It is all wrong, and I think our system is wrong. I have been in the Senate for 15 years, and while I may be third or fourth or fifth on this committee, I think our system is wrong. I don't think we are getting the best out of our witnesses, nor are we getting the best out of our committee. When we get into something that is pertinent and something we ought to get into, in my opinion, such as the matter we have been discussing here, we say let's go on and we will take it up 6 or 8 hour later, when you know we are not going to be here 6 or 8 hours later.

And another thing I am very unhappy about is that you cut us juniors off until 12:30. By then the meeting is over and we go home, and we have not had a chance to get into it. I hope that this year we can take more part in the deliberations of this committee.

The CHAIRMAN. There is no idea of preventing questions at length. But a witness comes before us and likes to lay down the general principles on which he is acting, or on which the Department is acting, and he can at his own discretion, in my opinion, say "I expect to deal with this question which has been asked me now, but it will take some time and it interrupts the current of my argument."

It would be difficult for a man who has a concise argument to be interrupted near the beginning, and have to deal at that time with something that he intends to later. So there are two sides to it.

Senator CAPEHART. Mr. Chairman, I appreciate that.

The CHAIRMAN. I have requested members of the committee, trusting their discretion, to try not to interrupt the argument of the witness, because he has kindly offered to submit to questions after he has finished his preliminary statement.

Senator CAPEHART. Mr. Chairman, I am aware of that, and we must have some sort of a system. But I think it must be obvious to anyone who is a member of this committee that we on the tail end of the committee certainly have very little opportunity or chance to participate in its deliberations. Maybe one of the ways to do it is to have the witnesses appear longer before the committee. In other words, have him appear this morning, again this afternoon, and tomorrow morning. I think we lose a lot when we get into subject matter of so keen an interest to me and others as the one we are discussing, and then say we will let it go over until noon. I think we lose our effectiveness, because the matter we were discussing is in the papers every day, and one I would like to get reconciled.

The CHAIRMAN. Suppose now we permit the witness to conclude his preliminary statement.

Senator CAPEHART. I just want you to know how I feel this Monday morning.

The CHAIRMAN. He has kindly offered to submit to questioning when he has finished.

SOVIET LONG-RANGE MISSILE STRENGTH

Senator LAUSCHE. Mr. Chairman, may I make a statement at this time?

General Twining and Secretary McElroy testified that overall we are in a position to beat the Soviets and the Chinese. With respect to missiles, there was some indication on the part of those two men that we may not be up with them.

Senator FULBRIGHT. Long-range?

Senator LAUSCHE. Long-range, but taking into consideration our bases encompassing the Soviet Union and the strength of our Air Force, we are in a better position to win the battle than the Soviets; but I think there has been general agreement that on the long-range missiles we are not up to them at this time.

The CHAIRMAN. Mr. Dulles, please proceed in your own way. As I understand your proposal, when you finish you will submit to questions as time permits.

Mr. DULLES. Certainly, Mr. Chairman.

GROWTH OF THE SOVIET ECONOMY

I will discuss in more detail the missile situation of the Soviet Union later. This is just a generalization, as I am turning now briefly to trends in the Soviet economy.

The growth rate of the Soviet economy has been twice that of the United States over the last decade, and in the last 3 years on average their rate has been more than three times that of ours.

The Soviet growth rate is expected to continue. The United States, however, retains a substantial lead in gross national product. In 1958, the Soviet gross national product was 45 percent that of the United States. It is estimated that in 1965 the Soviet gross national product could be about 55 percent that of the United States.

In 1957, the total value of what Soviet consumers receive was one-third that of the United States—is that per capita or total of both?

Mr. AMORY. Total.

Senator LAUSCHE. This pertains to the Soviet Union alone, and does not include Communist China?

Mr. DULLES. This is Soviet alone.

Investment equals about two-thirds that of the U.S. investment. We believe that Soviet defense expenditures will expand gradually. The value of their expenditures for military purposes is roughly the same as U.S. defense expenditures.

SOVIET MILITARY PAY

That is hard to estimate in terms of dollars. We have to equate the pay of the Soviet military, and that of the U.S. military. Obviously, they don't pay their soldiers anything like we pay ours.

Senator FULBRIGHT. What is the relationship?

Mr. AMORY. You mean pay, sir?

Mr. DULLES. Yes, the pay.

Mr. AMORY. It ranges down to 10-to-1, but it varies in range.

Senator MANSFIELD. Don't their pilots get more than ours?

Mr. AMORY. I can't answer that, sir. I don't think so.

Mr. DULLES. We will check on that.

Senator CAPEHART. You say the generals get about as much as our generals?

Mr. AMORY. They get closer to what our generals get than the privates do.

Senator FULBRIGHT. Do you have that information available?

Mr. AMORY. Yes; we have a table of it.

Senator FULBRIGHT. I think it would be interesting to see it.

Mr. AMORY. Yes, sir; I will get you a table.

Mr. DULLES. In that estimate, we are taking a foot soldier against a foot soldier without regard to the 10-to-1 item, so it is not a question of cost. But it is the question of the total value of their military production and the total value of ours.

CATCH UP WITH THE UNITED STATES

As the Soviet economy expands, military expenditure can increase by as much as 45 percent over the next 4 years without imposing relatively heavier burdens on the economy. The burden now is pretty heavy.

The 7-year goal plan announced by Khrushchev at the Central Committee Meeting last November is to catch up with the United States. The Soviets claim that by 1970 the U.S.S.R. will be in first place in per capita output and absolute output. We don't accept that judgment. That, we think, is a boast.

The specific 7-year goal plan for 1959 to 1965 shows that their claim is far too optimistic. Nevertheless, the Soviet plan an ambitious expansion program. There is continuing emphasis on heavy industry and large military programs.

The specific 7-year plan goals are probably generally feasible except in agriculture. But it will strain the economy, and some programs will probably be curtailed.

In addition to supporting the development of their military power, the continuing rapid growth of the Soviet economy challenges the Western World by its political economic impact on foreign countries.

An example is Finland, where the Soviets have pressured the Finns recently to come to terms with them because of the economic pressure that they have put on that little country.

Further, their economic and industrial developments attract underdeveloped countries seeking a quick end to poverty, which they will not get.

It is creating potentially distruptive influences on the traditional Western economic relationships.

SOVIET ECONOMIC OFFENSIVE

Let me turn briefly to the Soviet economic offensive—trade and aid as an economic adjunct to the Soviet campaign of penetration of underdeveloped areas.

The total magnitude of the program is relatively small, and does not impose a heavy burden on the Soviet economy. They are concentrating on certain uncommitted countries where comparatively small investment offers the prospect of high political gains. In the

3½ years prior to mid-1958, the grants and credits extended by the bloc to underdeveloped countries in the free world, not including any bloc trade or trade between Moscow and Peking, totaled more than $2 billion.

Of this total, about $1.2 billion was extended by the U.S.S.R. and the rest by other bloc countries.

A comparable figure for the U.S.S.R. alone to bloc countries is $5 billion in this same period, of which $1.4 billion is in new credits and the remainder in cancelled debts, they cancelled out a great many of their debts, particularly in the European satellites.

Senator CAPEHART. Do you have a listing of the countries in which this money was spent?

Mr. DULLES Yes, sir, I will come to that.

Senator CAPEHART. Thank you.

Mr. DULLES. Of this total of $1.2 billion extended, about $740 million has actually been expended; the rest has not been drawn. A substantial drawing against these credits may yet be made.

About three-fifths of the total actually expended in the non-bloc world has been in the form of arms deliveries—largely surplus equipment—to Syria, Egypt, the Yemen, Iraq, Afghanistan, and Indonesia.

The same six countries I have mentioned—Syria, Egypt, Yemen, Iraq, Afghanistan, and Indonesia—plus Ceylon, India, Burma, and Cambodia, have received the bulk of the economic aid. The last four I noted received only economic and not military aid.

The number of bloc technicians in underdeveloped countries increased by more than 50 percent in 1958 over 1957. In the first half of 1958, there were at one time or another about 3,700 bloc technicians in 17 underdeveloped countries. They go back and forth. They don't all stay the whole time in one area.

About one-third of this total of 3,700 were military specialists.

SOVIET SUBVERSIVE OFFENSIVE

Now, I would like to deal briefly with the Soviet subversive offensive. Under Khrushchev, the U.S.S.R. is continuing efforts to build up the international Communist apparatus, especially since the November 15 Communist meeting in Moscow. This is apparent in the increasing training in the bloc countries, particularly Russia, of members of the free world's Communist Parties. The 1957–58 trainees from more than 20 Communist Parties of the free world went to the U.S.S.R., and in the summer of 1958, five Latin American Communist Parties sent trainees to Communist China. We estimate the number as several hundred in all.

The control and support of the free world Communist Parties has been improved. [Deleted.]

A new ideology journal, "The Problems of Peace and Socialism," which is the successor to the "Cominform Journal," began publication in Prague in 16 languages in September 1958. According to the International Communist Balance Sheet, which is published in the Soviet publication "Kommunist," 1958 saw a growing influence of Communist Parties in Italy—I would question that—Finland, Japan, India, and Indonesia, and progress by a number of Latin American Parties, in Argentina, Brazil, Chile, Uruguay, Cuba, Venezuela, and Colombia.

According to the Soviets, there have been Communist setbacks in certain parts of Western Europe, particularly France, The Netherlands and Denmark, and in the Communist Party of the United States.

In the international Communist field, reorganizations and strengthening are always taking place. Big efforts are being made to capture the leadership elite of Asia and Africa through the Afro-Asian solidarity movement. So-called orthodox front activity, particularly in the World Federation of Trade Unions, is continuing, as is front activity pointing up subsidiary activity, such as scholarship programs, aid to refugees and rebels in Algeria and Tunisia, and medical facilities for non-bloc parties.

The bloc is also giving financial support to non-Communist national liberation movements such as the Cameroons Democratic Union, which instigated the violence in the French Cameroons recently.

TRENDS IN SOVIET SCIENCE AND TECHNOLOGY

Next, trends in science and technology. Great emphasis has been placed in support of aspirations to national power animated by intense spirit of competition with the West.

The achievements in critical military and industrial areas are impressive. I don't need to go into their Earth satellites and other such developments. The absolute size of their scientific effort is smaller than that of the United States, but it is concentrated in fields related to national power.

The announced expenditures in the technological field are increasing yearly. Significant scientific and technological advances are likely to be made with greater frequency than in the past. They have a large corps of trained personnel who are better equipped.

In some fields the Soviet scientists excel—for example, in pure mathematics and theoretical physics.

SOVIET BALLISTIC MISSILE CAPABILITY

Turning to their ballistic missile capability—and I am speaking of the U.S.S.R.—all of us in the intelligence community are seriously concerned about Soviet missile capabilities and have made this the highest possible intelligence priority.

While expert views differ slightly on the exact timing of the threat, here is our best estimate: [deleted]. The estimate warns of the possibility, soon to be a probability, of operational ICBM's, and we believe they are building toward a substantial ICBM force capability.

Now, the ballistic missile test ranges. Tests up to 1,000 nautical miles have been made at Kapustin Yar, [deleted].

The intelligence coverage of this is from multiple sources, and we believe that intelligence is sound. [Deleted.]

ICBM TEST RANGE ACTIVITY

The Soviets test the ICBM from a different range than the IRBM. The IRBM testing range is limited at present to around 1,000 nautical miles. The ICBM testing range is about 3,500 nautical miles, because when it reaches 3,500, it goes out to sea, so they would have to monitor deep into the ocean if they wanted to extend that.

The first firing of an ICBM to 3,500 nautical miles was in [deleted].

Senator **Aiken**. Mr. Chairman, may I ask how many feet a nautical mile is?

The **Chairman**. Can you answer that?

Mr. **Dulles**. About 10 percent over a mile.

Mr. **Amory**. 6,080.

Mr. **Dulles**. One and one-sixth miles.

SPACE SHOTS

Three Sputniks have been launched, the most recent in May 1958, and then Lunik earlier this month. There were six ICBM test firings in 1958, the most recent in December, the results of two of which are uncertain. For various reasons we do not think two of the missiles reached the end of the road; and if they did, we don't know where the end of the road is.

There have been four attempts to launch space vehicles which did not result in public announcements by the Soviets. We don't say they necessarily were failures, but no announcement was made and nothing further was detected by us. But we know an attempt was made.

TEST FIRINGS

[Deleted.]

The United States Intelligence Board estimates [deleted] that the Soviet Union could have the first operational capability, [deleted]—during 1959. [Deleted.] High Soviet officials have been endeavoring to create the impression of considerable ICBM capability. They did that at the recent Geneva Conference in talking with our people, and they did it as long ago as a year at the disarmament meetings in London.

[Deleted.]

TESTS OFF THE PRODUCTION LINE

Senator **Lausche**. What is the difference in our production entry policy from theirs?

Mr. **Dulles**. I can't really answer that. You should get that from Defense, sir. [Deleted.]

Senator **Lausche**. I see.

Mr. **Dulles**. [Deleted.]

[Deleted] without our being able to pick it up? We think it is unlikely. We have a great deal of information with regard to Tyura Tam, which is their long-range testing base. It is an elaborate structure, which cost large sums of money. It is adequate for any testing they want to do, so that if they went somewhere else—and there aren't many places you can test a 3,500 nautical mile missile—it would be solely for reason of secrecy and not because of any [deleted].

Senator **Capehart**. Where is Tyura Tam located?

Mr. **Dulles**. We have a chart here. It is east of the Caspian and east of the Aral Sea.

You see the Aral Sea there [indicating], and it is east of that. [Deleted.]

Khrushchev claims that ICBM production has been "successfully set up." The Geneva delegation members of the U.S.S.R. at the two conferences we have had there claim that the U.S.S.R. has mass production ICBM's, and has operational bases in more than token numbers.

[Deleted.]

That concludes what I have to say on the ICBM and IRBM.

LONG-RANGE BOMBER FORCE

Now I turn to their long-range bomber force. That has approximately 1,450 bombers. Of those, 400 are the old, obsolete or obsolescent Bull, the B-29 type.

They have 950 of the Badger-type, which is more or less equivalent to our B-47.

They have from 100 to 125 of the Bison Jet B-52 type and the Bear turboprop long-range heavy bomber.

Their capabilities are increased by adding modern aircraft, better training, in-flight refueling, and nuclear storage sites at many long-range bases.

However, except for their long-range heavy bombers (the 100 to 125), one-way missions would be necessary to reach many U.S. targets. Their Badger type could not go from bases in the Soviet Union to the United States and back. They would have to sacrifice them on one-way missions.

Senator **Hickenlooper**. Excuse me, you said nuclear storage.

Mr. **Dulles**. We believe that they have arranged for storage of nuclear bombs at possible take-off sites at the airfields.

Senator **Hickenlooper**. Weapons?

Mr. **Dulles**. Weapons.

Senator **Hickenlooper**. I thought you were talking about operational airplanes.

Mr. **Dulles**. No, sir.

Senator **Capehart**. How effective are they in refueling in the air?

Mr. **Dulles**. We have definite evidence that they are doing it. They started a good deal later than we. They haven't had as long a practice and they haven't gone in for special tanker planes. They have adapted some of their existing types to tankers. We believe they are using some of the Bison and Badger bombers as tankers.

The buildup of heavy bomber strength is substantially less than we expected several years ago. It is apparently less than they had tooled up for and that they could have made.

LOWER RATE OF PRODUCTION

The Soviet planners probably decided to forgo a rapid buildup of the present models. This may reflect their confidence in creating the ICBM capability, or dissatisfaction with Bison, Bear, or both. We have some reason to believe they were not entirely happy with the Bison. Anyway, the rate of production of that is substantially lower than we had expected 2 or 3 years ago.

We have evidence that they are working on a new model which we have labeled the Bounder. It is being designed and developed, but is probably not in production, as far as we can tell. It doesn't look like an intercontinental bomber, but we are not sure of that.

With regard to nuclear-powered aircraft, we are inclined to believe that if they put anything into the air that is nuclear-powered during this year, it would be a stunt and would not have military significance. And we doubt that they will do it, but we do not say that they won't. They could get something into the air and then power it with nuclear power, but the problems are great. The weight of the plane would be great, and its speed—anything they produce now—would probably be subsonic.

SOVIET NAVAL STRENGTH

Soviet Naval strength: Their present submarine strength is about 440, slightly lower than the figure I gave you before, because they are phasing out some of their old wartime models.

More than half are Snorkel equipped, and post-war designed.

This is more than eight times the strength with which Germany entered World War II.

We estimate that about 290 submarines have been constructed since 1950. There have been few constructed in the past year, which we believe reflects a changeover to new types. The new class, beginning in 1958, is the large torpedo attack type, with better sonar.

As to their missile-launching capability, we believe that they have the capability to launch subsonic cruise type missiles with a range of about 200 nautical miles from certain submarines converted to this purpose.

The nuclear-powered submarine program is probably under way. I will put that a little stronger. They may have already commissioned one or more of these, but we have not picked them up and lack firm evidence. They have not started using under nuclear power their icebreaker that they advertised. The last reports were that they are putting in the reactors, and since they have advertised it a good deal, we believe they would say something about it if that icebreaker was now being operated under nuclear power.

We have had reports from secret intelligence sources indicating that they have 12 nuclear-powered submarines either finished or under construction, but we have no confirmation of it. The reports come in the form which is hard to tell whether they are working on the 12 and how many of those have been completed.

SOVIET NUCLEAR WEAPONS

Turning to nuclear weapons, the Soviets had two series of tests in 1958. In all, since 1949, [deleted] nuclear tests have been detected. Of their series in 1958, [deleted] were in the first series, [deleted] in the second.

Two in the second series produced detonations of [deleted] megatons, twice the yield of previous Soviet explosions. The latest low-yield test of a weapon was [deleted] in November. [Deleted.]

The test series shows the development of high-yield weapons for bombs and missiles, and of low-yield weapons for air defense and economy of fissionable material We estimate they have a stockpile which includes weapons beginning at around [deleted] kilotons, and going up to around [deleted] megatons. They may have a larger bang than [deleted] megatons. They have more of a problem than we of where we test. Their recent testing of large weapons has been up north at Novaya Zemlya, which is that long island-shaped thing that goes up [indicating].

They go from the north of Russia by aircraft and then they have the test in the Novaya Zemlya range, which is rough and rugged country. They don't have anything like what we have at Enewietok. On Novaya Zemlya it would be very difficult to do as we do in Bikini, but the stations there can help monitor. They send out one or more planes with the testing planes to pick up the debris and the effects and monitor the tests.

SOVIET AIR DEFENSES

Bloc air defense: Jet fighters remain the backbone of their air defense system. The total of flights in the bloc is more than 14,000, of which 10,000 are in Soviet units. Fourteen thousand is the number for the entire bloc, including Communist China. Nearly 2,000 all-weather types are now in bloc units.

Moscow is still the principal area defended by surface-to-air missiles, and there is a heavy concentration of protection in a complex of 56 separate sites around Moscow.

The major improvement in the past year has been in the air defense control system. A system of semi-automatic control features somewhat similar to our Sage is now being widely deployed in the Western U.S.S.R.

Mr. Chairman, that completes the general discussion of Soviet intentions and capabilities.

I was going to turn for a minute or two to the third item you suggested. And then I planned to take up an area-by-area analysis. But you might wish to interrupt at this time for a discussion of the general presentation rather than going into a country-by-country analysis. I will leave that to your discretion, sir.

INFORMATION NOT COMPLETE

The CHAIRMAN. May I ask one question Are you confident that your information is substantially complete? You have spoken as though it were.

Mr. DULLES. [Deleted.]

The CHAIRMAN. Mr. Dulles has interrupted his statement for the opportunity of answering any questions on his testimony so far.

SOVIET AGENTS

Have you any questions, Senator Fulbright?

Senator FULBRIGHT. Yes, Mr. Chairman.

I would like you to expand a little on the point you made about the training of agents brought to Moscow. Do you know a good deal about that? Have you ever considered developing the idea that they should all be treated as spies to try to discourage people like Latin Americans and others from sending people to Moscow to be trained? Can you develop that subject a little?

Mr. DULLES. With the possible exception of the two Americans who are alleged to have gone—I am just checking on that now—they all come from other countries and we don't have our grips on them.

Senator FULBRIGHT. They are from friendly countries in many cases?

Mr. DULLES. Yes.

We have been quite successful in penetrating this, and sending people to the meetings. We know a great deal about it, and of course in our work if you have penetrated a Communist Party and are on the track of these people, many times it is better not to pick them up and give them a chance to put in somebody else on whom you don't have the same amount of intelligence. It is a question, though, of whether many of these countries would treat them as spies.

Take France. It is going to be very interesting to see what de Gaulle does with Monsieur Duclos, who has gone. The deputy head, Thorez, is getting fairly old and is not well. Duclos has gone to Moscow. He is an outstanding French Communist and, as you know, he has been one of the leaders of the party for the last 10 or 15 years.[2]

Well, what is de Gaulle going to do when he gets back? And Togliatti has gone from Italy.

PASSPORTS TO COMMUNISTS

Two are supposed to have gone from the United States, and under present passport regulations there wasn't any way to stop them, as far as I know.

Senator HICKENLOOPER. I was just going to suggest that in view of the Supreme Court's decision we have to give passports to all Communists who want to leave the country. We have no control over them, and we are in rather a peculiar position to object to other countries.

Senator FULBRIGHT. This is a security situation. If we don't treat these people, whether they number 2 or 2,000, the same way we would treat any other spy we picked up, we can't expect any other country to do so, even a friendly country. This is a curious development that gives them a tremendous advantage over us, to permit throughout the free world the development of these, in effect, spy rings. Wouldn't you consider them spies?

Mr. DULLES. The Communist Party in a great many countries in the world is a recognized party, and they are going to a party meeting.

Senator FULBRIGHT. Do you think it should be a recognized party? I wonder what you think about it, or if you care to say anything.

Mr. DULLES As far as the United States is concerned, that is a matter for the FBI and the Department of Justice. [Deleted.]

Senator FULBRIGHT. Exactly.

Mr. DULLES. But I said to him—and I would say to most of the others—that we are fortunate in the United States, first, in the fact that the Communist Party is small; and second, that in the FBI we have a very effective organization dealing with it. Whether you recognize them or not is not very important—I mean, whether technically they are a party—but in weak countries where they do not have the facilities to deal with them, I think it is better to drive them underground than let them be overground, because they are going to be underground even where you let them exist.

BANNING THE COMMUNIST PARTY

In France and Italy, in addition to the overt organization, there is the hard core that is underground plotting and working. So I am inclined to think that in most countries it would be to the advantage of the free world to have the party banned.

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[2] Jacques Duclos represented France at the 21st Soviet Party Congress in Moscow in January 1959 in the place of French Communist Party Secretary General Maurice Thorez. Duclos was elected to the French Senate in April 1959.

Senator FULBRIGHT. That is what I wanted to know. It has always seemed to me it should be illegal and be banned, and its members treated exactly like, and considered as, spies of Russia. They should be treated in the same way that Russia would treat them, if they picked up one of your men monitoring over there. Wouldn't they treat him as a spy?

Mr. DULLES. Of course it is hard to say they are spies; they go openly to Russia, and they do get information.

I don't know whether the two Americans, James E. Jackson and Morris Shields—they refer to him as Moses Shields in the "New York Times" this morning—got passports. I don't know whether, if they got those passports, they said they were going to Moscow. We don't know that, but we can find out.

Even if they had said they were going to Moscow, I don't know what authority, under the Supreme Court rulings, one would have to deny them passports.

Senator FULBRIGHT. I agree with you they are not a great threat here; but little countries, where we put in so much economic assistance, are subverted by these agents that go to Moscow, and that go back and lead the power that develops into a revolutionary power, and upsets the governments.

I think this is one of the most important policies that could be agreed upon among the free countries. I am inclined to think it would be better to outlaw the party and help these small countries keep the members underground, if that is the right word.

In this country we may differ, but the only trouble is that we set the pattern and recognize them, making it very difficult to persuade the little ones they shouldn't do the same thing.

Senator AIKEN. Castro is setting a pattern for us, isn't he?

Senator FULBRIGHT. It always embarrasses us. In Egypt, for example, they say, "Well, we don't tolerate these Communists; we put them in jail or kill them." Turkey does the same thing. It always says, "We won't tolerate them and won't permit them around."

Isn't that their policy now?

Mr. DULLES. They won't permit Communists that agitate and make trouble for them. They have arrested not all Communists, but those who agitate and cause them trouble.

Senator FULBRIGHT. They will tolerate a certain number of Russians.

Mr. DULLES. Not many Communists in Turkey.

SOVIET TECHNICIANS

Senator FULBRIGHT. One other thing—and I won't take too much time—which seems to me along the same line is the very large increase in the number of the Soviet technicians. Are these bona fide technicians, in your opinion?

Mr. DULLES. Oh, yes, most of them.

Senator FULBRIGHT. Legitimate technicians?

Mr. DULLES. I would assume with each technicians group of any size several KGB people would be sent to watch after them. They generally have isolated lives, and they take over buildings and live there. They do not mix very much with the people, and I believe they are under careful KGB surveillance.

But most of them are high-class technicians. The Soviets are now developing so many technicians they have got them for export. They have a great advantage over us. We can't go to a lot of people and say, "You go to Egypt." You have to negotiate with them, decide whether they want to go, and whether their families will go, and so forth.

The Russians generally pick up people without their families. Once in awhile their families go with them. Wherever they tell them to go, they go.

SOVIET EMPHASIS ON EDUCATION

Senator FULBRIGHT. Would you agree, finally, that the Soviet emphasis on education and our relative neglect of it is perhaps the most dangerous development that you have observed in the last few years?

Mr. DULLES. I think their emphasis on education has been a very important element in their development and in the threat that they pose.

I think it has another side. I don't believe you can continue to educate people to the extent they are without instilling in them the desire to know more. I think you can do it much more in the sciences and technical side than you can, say, in the liberal arts.

I made a speech 5 years ago, on what this might represent to the Soviet Union. I felt very strongly about it and have been following it very closely ever since. Their educational system undoubtedly has been tremendously developed, particularly in the sciences and on the technical side. I don't really feel competent to pass on our own.

The CHAIRMAN. We must remember that Mr. Dulles has kindly interrupted his own statement so we might ask questions on what he has already stated. In order that it will be possible for him to continue his formal statement later I am going to ask that all those who have any questions limit them to 5 minutes at a maximum from now on, if there is no objection.

[No response.]

The CHAIRMAN. The Chair hears none.

Now, Senator Wiley, have you any questions?

Senator WILEY. Yes.

INTERNAL SITUATION IN THE U.S.S.R.

You have given us a fine picture of at least the judgment of the best brains we have in government, that the Russians aren't ready to let the balloon go up. I think that is very important.

I want to know what you can tell us about what the conditions inside Russia are. I am talking about the 200 million Russian people. What are the facts in relation to their being on or off the team of the Kremlin? And what are we doing in the nature of propaganda or anything else to get across to them the situation in the world, and particularly the inadvisability of the Kremlin's philosophy and doctrines?

What is the situation inside Russia?

Mr. DULLES. Senator, I would like to tell you that the Soviet Union is a hotbed of unrest and dissatisfaction. I can't do so. We have received a multiple of reports, not only from the large numbers of Americans who have gone there, some of them very able observers, but from British, Canadian, German, and other visitors who have gone.

We must recognize that the Russian people, with the exception of certain classes, started from a low level of subsistence, so that today the average living standard in the Soviet Union is higher than it ever has been. Nothing compared to ours or to that of most of Western Europe, but it is higher than it ever has been.

Also, many people in the Soviet Union take pride, which is understandable, in the fact that their country is today the second greatest power in the world, that it has made extraordinary advances in the field of science, in the space age. That has awakened a good deal of pride.

We do not see signs of anything that one could say is unrest to the point of threatening the regime. We do believe that to a greater extent than ever before the Soviet leaders have to take into account something like public opinion, not public opinion like in the United States, but something similar. And Khrushchev is quite careful to watch the trends of a given public opinion.

There has been a certain restlessness among the students, a desire for more information. I think they are realizing that they are not being given all the truth about what is going on in the outside world. They are more and more trying to get further information, and through the Voice of America and other channels an effort is being made.

But it is by no means an open society, so far as information is concerned. It is hard to get it in.

Their press is, of course, absolutely controlled. They don't read much except technical literature from the outside, and it is very hard to break down that barrier.

DR. ZHIVAGO

I think the most dramatic thing has been that they have refused to allow in Russia the publication and circulation of Pasternak's great book. I am working on it hard, but from what all the experts tell me and a review of it I read yesterday, Russians are going to talk about this book the way they talked about Tolstoy and the other great writers. They don't dare allow that book to circulate, and while there is a great deal against the Russian type of society, there are also attacks on our type of society, too. It is not a one-way street, but it is a best seller in the United States, and you have to smuggle every copy into Russia. Confidentially, I distributed a lot of copies at the Brussels fair and they got into Russia that way, 6 months ago.

I could speak much longer on this. This is a subject we are following all the time.

INTERNAL SITUATION IN THE SATELLITES

Senator WILEY. Does this same conclusion apply to the satellite states?

Mr. DULLES. No, sir. It is very different. The satellite states would revolt tomorrow if they had any chance of getting free, except possibly Bulgaria. Bulgaria and Czechoslovakia would be slow, but as far as Poland and Hungary are concerned—and probably even Rumania—if they saw any chance of getting free of Soviet domination, they would revolt. That is true of East Germany, too.

All the information I have about East Germany—and I have talked to many Germans—is that 95 percent of the people there are anti-Communist.

Senator Wiley. That is all.

The Chairman. Senator Mansfield?

Senator Mansfield. No questions.

The Chairman. Senator Hickenlooper?

SOVIET RELATIONS WITH CHINA

Senator Hickenlooper. Mr. Dulles, what about the Red Chinese situation, as compared to, or vis-a-vis, Russia? Is there evidence of growing apprehension on the part of the Russians as to the future menace of China?

Mr. Dulles. Senator, I believe there is. During Mr. Mikoyan's visit here we tried to draw him out on China, but that was one of the subjects he was least "drawoutable" on.

He would say, "Well, that is their business," and so on.

We believe that there is in China a growing independence of Russia, although they still are dependent on Russia in a military way.

Senator Hickenlooper. Are you covering China later?

Mr. Dulles. But the time element is getting on——

Senator Hickenlooper. Then I am not going to go into it.

CHINA'S COMMUNAL SYSTEM

Mr. Dulles. We believe the Commune development in China is one of the most significant things that has happened. We think the Russians don't like it and are disturbed by it. We think it has caused a good deal of unrest in China, and that it is a major mistake the Chinese Communists have made.

It may result in greater production. They had moved ahead quite fast in production. For a time it may mean more effective use of man- and womanpower. But in the long run, this may be for them a rather disastrous movement. They have had to put the brakes on already, particularly with regard to putting the Commune system in effect in the large cities.

In recent decrees they have indicated they are drawing back from the rigidity of the system as they originally proposed it.

SITUATION IN TIBET AND MONGOLIA

Senator Hickenlooper. Is there substance to the newspaper reports we have seen that there are active revolts of violence in Tibet and perhaps Mongolia against the Chinese?

Mr. Dulles. Against Tibet. We have a good deal of information. There have been revolts in Tibet, and we have been in close touch with that situation.

Senator Hickenlooper. Are the Russians building installations in Siberia which might be calculated to be installations for the future against any possible threat from China?

Mr. Dulles. We have no information on that.

The revolts in Tibet are apparently localized in various points. Tibet is a rugged country and very thinly populated, but apparently there have been revolts in various pockets here and there. Our information is that the population is not happy about the Chinese Communist domination.

Senator Hickenlooper. Thank you. I will not take any more time.

SOVIET NUCLEAR TESTING

The **Chairman**. Senator Gore, have you any questions?

Senator **Gore**. Yes; I have five questions, and I will try to complete them in 5 minutes.

Mr. Dulles, what information do you have on the conduct of underground nuclear tests by the Soviet Union?

Mr. **Dulles**. We have no information indicating that they have completed any underground tests.

Mr. **Amory**. That is right, and they more or less admitted it in Geneva.

Senator **Gore**. Do you have any information that such has been tried, or that such has not been tried, or are you just completely blank?

Mr. **Dulles**. I would say completely blank. If they hadn't tried it, you wouldn't get any evidence at all.

Senator **Gore**. Yes.

Mr. **Dulles**. There is no reason they couldn't do it. They have the capability, and if they had wanted to do it, they would have. They may have done it without detection. We wouldn't doubt that they could go to the far north and put in a very small charge. One wouldn't know whether they had done it or not.

Senator **Gore**. In other words, you have no information on it?

Mr. **Dulles**. That is correct.

SUBMARINE MISSILE CAPABILITY

Senator **Gore**. You mentioned the submarine missile capability, and estimated that they would be able to fire a missile with a range from 200 to 300 miles, but you did not give us an estimate of the number of submarines they have which could make such a firing.

Mr. **Dulles**. I think we believe that the number is around 12 to 15, but I would like to check.

I have it there. There have been conversions of the long-range Snorkel-type of which they built a couple of hundred after the war. We have evidence that some of these are being converted for the use of air breathing missiles with a range of perhaps 200 miles. We once thought it was a little farther, but 200 miles now seems to be the best estimate.

Senator **Gore**. And your estimate is that the number of such submarines now would be around 12?

Mr. **Dulles**. Around a dozen, but I would like to check that.

Mr. **Amory**. They have done about 2 as far as we know. Standard-type submarines are converted by putting a sort of water-tight bond on the forward deck. If they decide to go ahead with that, they could convert up to 20 of this type within 4 to 6 months. In other words, it isn't a major operation, but it is such a marginal weapon that we doubt they would make that decision. They probably have had some for experimental purposes, but we believe they wouldn't go all out on it because they will have properly designed guided-missile submarines of conventional power coming in at around three a year for the next 2 years, and six a year for the next 2 years after that. Their program will be to design much more sophisticated weapons with ranges of 500 or 600 miles, and of course, ballistic speed.

Senator GORE. By 1960, how many modern nuclear missile launching submarines?

Mr. DULLES. Eleven conventionally powered, and up to six nuclear powered, a total of 17.

Senator GORE. What range would that missile have?

Mr. DULLES. These are, of course, estimates based on what we believe their capabilities are. The figures are not based on actual sightings, but we do know a great deal about their submarines on the basis of actual sightings.

Mr. AMORY. A thousand miles for the ballistic by 1961, 1,000 nautical miles carrying a 1,000-pound warhead.

Senator GORE. They would be a major——

Mr. AMORY. Yes; except of course in the 1,000-pound warhead we will not get too much of a bang.

Senator GORE. Well, our own recent tests with a 600-pound weapon shows a terrific bang.

Mr. AMORY. I will not press that point.

Senator GORE. I will not go into that. My time is about gone.

AFTERMATH OF A HOLOCAUST

Mr. Dulles, when I raised a flag on your earlier statement, I wondered if our enchantment with massive retaliation as a deterrent to war has not led some people to conclude that, in the Russian view, in a global war she would be the loser and we would be the winner. You did not exactly say that, although Senator Capehart put that interpretation upon it.

My own limited reading—and I really make no claim in this regard—of the analyses of the Russian military journals is to the effect that most of their military writers and analysts say that in a global war, after the nuclear holocaust has been rained on both sides, then the Russian army would move into Eurasia and Africa and we would be confined to the Western Hemisphere.

Is that or is that not the substance and body of Russian military writings?

Mr. DULLES. I cannot answer that, but I will try to get the answer. Maybe Mr. Amory, who has followed the writings more closely than I, can answer that.

Mr. AMORY. I can give you a short answer, Senator.

First, we must distinguish between the writings which come out in the rather broadly circulated publications for the armed forces, which are heavily directed toward keeping up their morale and giving them a sense of purpose and victory, and in all of those you quite correctly reflect a large body of Soviet writing. We are trying to say in this estimate, as distinct from that kind of medium, what the national security council documents in the heart of the Kremlin say about this. We are not talking about who would be ultimately the winner in the sense of the last remaining regiment capable of marching 5 miles, but whether or not the damage inflicted on the Soviet Union would be unacceptable in the sense that it would reduce it to a second-rate power vis-a-vis Germany, England, or China, as brought out by Senator Hickenlooper.

Senator GORE. That is an interpretation of what you mean by survival?

Mr. Amory. Yes. The risk, the total casualties, the total destruction to the industrial machine they have so assiduously built up in 40 years, and particularly in the last 13 years since World War II—they would not lightly hazard that.

Mr. Dulles. We do not think, judging Soviet character and their somewhat cautious attitude since the days of Hitler, that they are going to be terribly interested in what a remnant of the Russian Army might do after they are all dead. They are looking into their policy as to what is going to happen to them, and they are doing very well. I do not think they are looking to a mutual holocaust that some parts of the army might be marching around.

Senator Gore. Thank you. I appreciate your answers.

The Chairman. Sorry, Senator Gore, your time is up. We have to get around, because Mr. Dulles has not finished his own statement.

Senator Aiken?

COMMUNICATION WITH THE PEOPLE IN THE SATELLITES

Senator Aiken. Yes.

Mr. Dulles, 2 years ago large numbers of Hungarian boys came to this country; about a dozen of them came to my town and still call it home. Much to my surprise, they have written letters back and forth to their people in Hungary, and packages have been sent back and forth, as have films and sound recordings, apparently without any interference. Is this freedom of communication common in the satellite countries? If so, what is the reason for the great change in recent years?

Mr. Dulles. I am very much interested and somewhat surprised at this information.

Senator Aiken. They had to send home to their high school principals for their report cards before they could go to school.

Mr. Dulles. I realize that in Poland communication is fairly free and you can communicate with Czechoslovakia, but from what you tell me, I would like to go into it further and get some data.

Senator Aiken. Yes. I was surprised.

Mr. Dulles. It surprises me they have allowed this to some extent in Hungary. There is fairly free mail communication. If you started to send in 10 copies of the "New York Times," or publications of that kind, on a major scale, I am sure they would not get through. But we have been reading a great many ordinary letters, even from Communist China, about the Chinese communes. Mail does go fairly freely throughout the world.

Senator Aiken. With the Christmas packages.

Mr. Dulles. Very true. You always take a risk, though, because there may be spot-checking, and you have got to be very careful. I have warned people that we believe in these Communist-controlled countries there is spot-checking of mail, and while 10 letters might get through, the 11th might not get through, and the people on the other end go to jail.

REFUGEES WHO RETURN

Senator Aiken. It has been my opinion that the government there was willing to create a feeling of homesickness on the part of the boys who are away from home.

Mr. Dulles. You may well find that they have dealt differently with refugees than they would with other people because, as you have stated, they are anxious to get these people back and to be able to say, "Well, they left once, but now they have all come back." Quite a number have gone back, you know. I do not know what the figures are, but I could get them. I would say 100 or more of the refugees have gone back.

Mr. Amory. Not from this country, but from central Europe.

Mr. Dulles. Not from this country, but from the central part of Europe.

Senator Aiken. I have not seen a great desire on their part to return.

Senator Lausche. How many?

Mr. Amory. Two hundred in all came out.

Mr. Dulles. If you took the whole world, several thousand have gone back, but I will get the figures for you.

Senator Aiken. That is all, Mr. Chairman.

The Chairman. Senator Lausche.

SOVIET BUDGET

Senator Lausche. Yes.

Mr. Dulles, what is the percentage of the Soviet budget that is devoted to military strength and the development of relations with other nations in that same direction?

Mr. Dulles. Mr. Amory will give you the figures, but just a moment on the Soviet budget. It is a most misleading and difficult document to analyze. The Soviet Government owns all the sources of production; and when you say what is military and what is not, as in the case of our budget—instead of having to contract, say, with Boeing and Douglas and Convair and all these companies—this is in the family and we owned it.

Senator Lausche. Have you been able to make an estimate of this?

Mr. Dulles. Have you those figures?

Mr. Amory. Yes.

The flat calculation from their published budget is 96 billion rubles out of 700 billion; roughly 16 percent goes to their defense budget. That does not include foreign aid, nor a lot of construction and scientific development appurtenant to defense.

We rate that on the order of 22 or 23 percent. But as Mr. Dulles just said, their budget includes what would be equivalent for us in both working capital and fixed capital appropriations of American industry and American agriculture as well.

SOVIET DISRUPTION OF WORLD MARKETS

Senator Lausche. Now, then, if there is an inability to make an accurate appraisal of what part of their budget goes to the military because a lot of their capital is government-provided, does that also apply to their competing with us in the world markets in the sale of products?

Mr. Dulles. I do not get the connection between the two.

Senator Lausche. That is, they use their own capital and ascribe no cost to that in selling to the world market.

Mr. **Dulles**. It is true, and you have raised an important point, Senator. We believe—and there are various studies going on—that the Soviet Union has a substantial capability of disrupting world markets, particularly in the raw commodity field.

For example, take cotton in Egypt. They have already disrupted the cotton market because of their large, temporary purchases against their arms deliveries. They have disrupted the tin market recently in Malaya. They are now negotiating with Brazil for coffee. The Russians are not great coffee drinkers, but it is quite likely that for political reasons they would buy great quantities of Brazilian coffee for a number of years and then stop.

They have tended at times to disrupt the copper market. They have a growing potential in that. They may even get into the export of oil, and are contemplating a major pipeline to the Baltic, which could disrupt the European oil market.

SOVIET MISSILE TESTS

Senator **Lausche**. How many tests of the intercontinental ballistic missiles have you been able to detect and establish as having been made?

Mr. **Dulles**. [Deleted.]

Senator **Lausche**. [Deleted.]

Mr. **Dulles**. So I am told.

SOVIET TECHNICIANS

Senator **Lausche**. Now this question: You speak of the Soviet technicians going to different countries and being isolated to a degree. Do you believe that the Soviet Union deliberately instructs its visiting technicians not to be ostentatious and arrogant and that it asks them to be humble and retiring so as to impress the people?

Mr. **Dulles**. Very likely, but I think the reasons for their isolation are security reasons rather than the reasons you give.

Senator **Lausche**. Is a different impact made by the Russian visitor and our visitor because of ostentation on the part of one and humility on the part of the other?

Mr. **Dulles**. Well, I did not quite agree with the humility. Many instances have been reported to us in which the Soviet technicians have gotten drunk just as our people have, and have been even more obnoxious than some of our people.

I grant that we have difficulty with that. But I do not think the Russian technicians, on the whole, have made any social or cultural impact. They have done their work quite well technically, and then they have gone back to their barracks and then out to work. That has been done efficiently.

Where they have mixed with the people, man for man, they have had as much if not more trouble than we have.

INTERNAL SITUATION IN THE U.S.S.R. AND ITS SATELLITES

Senator **Lausche**. I have just one more question following Senator Wiley's.

If all is well in the Soviet Union, why is it not so in the satellite nations? Why the unrest in the satellite nations and no unrest in Russia? What are the factors?

Mr. Dulles. In one case you have the Russian people really ruling themselves and accepting that situation. In the case of the satellites, you have a leadership which has been imposed on them from without, either by the Secret Police or by military intervention. They do not have a government of their own choosing. It is looked upon as an alien element.

For instance, in East Germany there are 20 Russian divisions. That is why Eastern Germany is quiet. They have fewer divisions in Poland and in Hungary, no divisions in Czechoslovakia. But in Czechoslovakia there has been installed a police system which keeps them down.

But in one case the people have a feeling of an alien government; and in the other case they have a government, maybe not of their own choosing, but of their own people.

Senator Lausche. Thank you.

The Chairman. Thank you.

Senator Capehart, have you any questions?

Senator Capehart. Yes.

DISRUPTION OF WORLD MARKETS

How do they disrupt the markets? You said they disrupted the market in copper, for example.

Mr. Dulles. By dumping, by erratic purchasing, and by similar means.

Senator Capehart. By paying higher prices or lower prices?

Mr. Dulles. They may pay higher prices. It is just beginning. We believe it could be quite a danger. We have been watching the negotiations with Brazil, for example, with very great interest. They have not been carried through.

The only case of price manipulation was probably in the Malayan tin, was it not, Bob?

Senator Gore. And in aluminum, too.

Mr. Dulles. Aluminum.

Senator Lausche. Very conspicuously in aluminum.

Mr. Dulles. And copper is a developing potential. They are looking around to see how they can use it. They have not done it on a major scale, but as they grow in industrial power they can use it. It is a very serious potential, particularly in the Latin American countries.

Senator Capehart. This disruption is both through their own sales and by virtue of their own purchases.

Mr. Dulles. That is correct, Senator.

CONDITIONS IN THE SOVIET UNION

Senator Capehart. Getting back to conditions in the Soviet Union, I was over there a year ago last September and October, and I am in accord with your statement. I found that the people in Russia were fairly well satisfied and their standard of living was greater than it was before, although certainly nothing to compare with that of the United States. But let me ask this question. Perhaps it is more of a statement. You were talking about their education, their military strength, and their industrial strength. How are we going to stop them? There is no way in the world we can stop them from training more scientists, nor can we stop their developing the things we have been talking about here today.

Mr. DULLES. I do not think, Senator, we are going to be able to stop it. I do not know that we should necessarily try to stop it. I would not try, because I could not do it.

It is possible that with the industrial and educational development, with the devotion of a larger share of their production to consumer goods, you might slowly get a really happy country, as we are. It would take them a long while to get to where we are, but they would feel "We are doing pretty well. We don't want a war. Even if we could win the war, we would lose. Why have a war?"

THE EVIL WILL NOT DISAPPEAR

Senator CAPEHART. My observation has been—and I had somewhat the same impression before I started studying this problem very carefully and visiting Russia—that communism is evil, and it certainly is evil from my standpoint. Therefore, I think the average American felt that, being evil, it would kill itself off, that the people would rise up and change their government; that, being evil, communism would disappear and not be successful.

Can we any longer go on that premise?

Mr. DULLES. Not solely, no, sir. In the long run it is very likely to go through an evolution. That is our hope.

Naziism was a great evil, but it brought Germany for a time—and if it had not been for the war it might have been a long time—to a high peak of technical competence and industrial capability.

I hope the Russian thing can be settled without war, and I believe that it can, but only through evolution.

I was talking to an American student who was doing some graduate work in Russia, who is a professor at one of our great universities. He said that between classes, as he went out into the corridor, they would group around him and 40 or 50 of the students would be there in no time at all, asking him questions about the United States, trying to learn about us.

What we have to do is to get to Mikoyan, press him to open up, let information get in. With more freedom of information, the evolution might go on more quickly.

SATISFACTION OF SOVIET PEOPLE

Senator CAPEHART. The amazing thing with respect to my visit was the apparent satisfaction on the part of the people, particularly in the large cities, and their standard of living, their dress, their attitudes and what they were doing. It was amazing.

Frankly, I went over there expecting to find poverty in the big cities and a lot of dissatisfied and poorly dressed people. I found it only in the small towns, not in the big cities.

Mr. DULLES. That is the judgment of most visitors of all nationalities who have been to the Soviet Union.

Senator CAPEHART. But they are making progress in practically every direction, in their military, their standard of living, and so forth.

Mr. DULLES. They are an able, hard-working people.

Senator CAPEHART. There is nothing we can do about it, is there? We cannot stop them.

Mr. DULLES. I do not think so. They always have been able, hard-working people, and now they have been unleased to go further and faster. But as they produce, isn't it possible that they will want to produce more in order to have a fuller life?

Senator CAPEHART. Are you saying that they might some day turn into a capitalistic nation like we are?

Mr. DULLES. I think they are more capitalistic than the United States is in some ways. They have state capitalism. Mikoyan apparently was annoyed at what we referred to as state capitalism. What they have got is state capitalism.

Senator CAPEHART. Owned by the state.

Mr. DULLES. Owned by the state. It is not private capitalism but state capitalism.

Senator CAPEHART. That is all.

Senator GORE. That is just a different name for collectivism.

The CHAIRMAN. Senator Carlson.

SITUATION IN COMMUNIST CHINA

Senator CARLSON. Mr. Chairman, just one thing.

Senator Hickenlooper raised the question of our situation in China, and I want to make a brief statement as background, and then ask you a question.

A year ago, Rabbi Sollit of New York City, who is a personal friend of mine, and his wife spent some months in the Far East. They spent 2 weeks in the interior of China. Afterward, he told me that, in his opinion, the ever-increasing population in Communist China was such that they could never catch up or keep up with their 5-year or 7-year programs, and that it would be a place where revolutions might foment and cause concern from an economic standpoint as well as from a political one.

What do we have on the situation in Communist China?

Mr. DULLES. We have a great deal of intelligence on what is going on generally in China. One talks about revolution in a very generalized way. But how, in the modern age, do you mount a revolution? Our experience has been that you mount a revolution only if you get control of the army. You cannot fight today as they did in the time of the Bastille, with picks and shovels, against even what the Chinese have. And the Chinese army, as we found in Korea, was a competent fighting force of no mean proportions.

Now, unless you are going to subvert that army and get certain military leaders to defect from the central government, the chance of a revolution is nil. There have been riots, and there have been troubles in the distribution of food which did not work out right. We have had several reports of something happening near Macao recently. Full reports are not in on that, but a revolution there would shake the authority of Peiping.

We do not see it unless there is a defection in the army.

CHINESE ECONOMIC PROGRESS

Senator CARLSON. Are they making progress economically?

Mr. DULLES. Their statistics about their industrial and agricultural progress are fantastic. You have raised an important point as to whether they can keep pace with their increasing population. They say they can.

Of course, if not, what happens is the population adjusts itself through famine and other things. That has happened in India, in China, and in various other parts of the world.

There have been good crops in China in recent years, and they are going into complete, intensive production. Some of the figures are fantastic. An American newspaperman went through there, and according to tests they are making, the amount of rice they can grow on an acre is fabulous. They are hard to credit, and they could probably do that only on a test acre, but they are going into various methods of intensive production of small bits of land.

I do not think the population crisis is going to overtake them in the next few years.

Senator CARLSON. That is all.

The CHAIRMAN. Mr. Dulles, you were kind enough to stop your address in order to give us the opportunity of asking questions on what you had already said. Are you ready to finish?

Mr. DULLES. I am prepared at your convenience, Mr. Chairman.

The CHAIRMAN. We will be glad to hear from you.

NATIONALIST MOVEMENTS IN ASIA AND AFRICA

Mr. DULLES. The third item in your letter, Mr. Chairman, requests an estimate of the nature and direction of the nationalist movements in Asia and Africa, a very broad subject. I will treat it as briefly as I can and cover the subject.

In general, this is best characterized as a galloping race toward national independence and economic and industrial self-sufficiency.

It will be a long time before they reach the latter, and in many cases they will reach the former, national independence, before they know what to do with it.

To achieve these objectives, national movements in the areas you have mentioned will tend to turn to any country which they think can be of help to them; and that means the Soviet Union as well as the United States. Here lies one of the dangerous elements of the appeal of international communism.

We must not overlook the fact that many of these underdeveloped countries—including the emerging countries of Africa—see that the Soviet Union was 20 or 30 years ago a very backward country, and in some way they do not quite understand and mistakenly ascribe to communism, has been able to move from a backward position to that of the second most powerful country in the world. And that example is very appealing to them.

They do not realize that the Soviet Union has been able to do that because they have profited and learned from our industrial revolution, and therefore, they could move quickly.

But we must not underestimate the appeal that this has.

Developing countries tend to feel the United States is so far ahead of them, our standards are high and the situation of our people so advanced, that they cannot look to reaching that high standard, but maybe they could reach a standard somewhat comparable to that of the Soviet Union, which is one-half or one-third that of ours today.

PASSION FOR INDUSTRIALIZATION

In the sphere of economics, we see a developing passion for industrialization, for new technologies and methods, for expansion.

Take, for example, the development plans of India, to which we have contributed so largely; the development plans of Iran under their 7-year plan; the Aswan Dam in Egypt; and the so-called great leap forward in China under which, in the last year, they have almost doubled their steel production.

I grant that a great deal of this steel is like bathtub gin; it is not of very good quality and not very usable.

Senator CAPEHART. You say they doubled their steel production. You mean Russia did?

Mr. DULLES. No. This is Communist China. They have gone from a little over 5 million tons to around 11 million tons, and they have done it by hundreds of thousands of small smelting blast furnaces they have established all over the country.

Senator CAPEHART. Was most of the 5 million tons production put in by the Japanese?

Mr. DULLES. No; they used Manchuria.

Mr. AMORY. But the Manchurian mills were demolished by the Soviets, so they put in about 1 million tons—about two-thirds of it is first-class modern stuff—largely with Russian aid.

Senator WILEY. Do they make usable steel out of the iron?

Mr. DULLES. They can use it for agricultural implements and other things.

Mr. AMORY. A lot of it is re-refined.

One of the things they have almost none of is scrap. This iron is like the iron puddled in this country a good many years ago, which becomes the means of feeding open-hearth furnaces. If adequate practices are followed, they get steel, but it is low-grade.

Mr. DULLES. As I pointed out before, we see that to an astonishing degree the Soviets and Chinese Communists see their conflict with the West in terms of economic development, competition and production, and productivity, and in overtaking and surpassing the United States.

SOCIAL AND POLITICAL ORGANIZATION IN UNDERDEVELOPED NATIONS

In the sphere of social organization, there is widespread conviction almost everywhere in the world that better things can come to pass through the activities of government.

Education, welfare, social security, opportunity, and ending the rigidities of the old societies—these things are not merely hoped for, they are expected; and they are expected quickly—too quickly in many parts of the world.

The Communists advertise to the underdeveloped nations that they can bring these things about. We know they cannot, but it is appealing.

In the field of political organization, there is a constant search for methods by which the state may organize itself to secure the desired ends.

This problem takes different form in different places. During the past year in Indonesia, Iraq, Lebanon, Burma, Pakistan, and the Sudan—perhaps we should add France—the government has been more and more influenced, if not in many cases taken over, by military leaders.

In these countries the need felt was not for greater liberty, but for greater efficiency, protection, and advancement.

There has been an interesting movement that we have been studying carefully. On the whole, it has been a movement to prevent the

Communist takeover. These countries are not yet ready nor able to maintain and adopt the type of government that we have, that England has, that many countries in Europe have.

They have been failures because of the multiplicity of parties, the lack of political discipline, the great difficulty of carrying through honest elections, and then turning over a government to the party that has won the election.

This is a movement which I think your committee should study. We have been making a study of it, and I know that the State Department has also.

These movements toward military dictatorships have not been directed against the West, nor are they pro-Communist. Generally, they have been somewhat the contrary.

There are a few countries in the world in which the political system is clearly in harmony with the felt needs of the time. People feel the inadequacy of government, and hence the movement to change it.

Interestingly enough, the movement in Latin America has been quite the opposite. They have been moving from military or other types of dictatorships, in Cuba and Venezuela, particularly, to what they consider is greater democracy and freedom.

PERSONAL FREEDOM AND MATERIALISM

Senator CAPEHART. Would you yield for just a moment? Isn't it a fact that the peoples of the underdeveloped countries too often are more interested in physical things than in personal freedom?

Mr. DULLES. Oh, certainly.

Senator CAPEHART. Isn't that our biggest problem?

Mr. DULLES. In our propaganda and in a good deal of our thinking, the urge to eat and the need to have enough food have been emphasized.

Senator CAPEHART. Physical things, food and clothing.

Mr. DULLES. That is far more important than liberty to them. Once they get the clothing and the food and the standard of living, then they are going to be thinking about liberty, but they have not reached that point yet.

Senator CAPEHART. They do not know what you are talking about when you talk about liberty and freedom.

Mr. DULLES. In many cases, they do not.

Senator CAPEHART. What they are interested in are the physical things, food and clothing.

Mr. DULLES. In the satellites, they know what freedom is; they had it once, and they want it again—Poland, in particular.

That concludes a very general and foreshortened statement, Mr. Chairman on your third point.

I have a presentation on China, and then on the crisis areas in various parts of the world. Do you wish to hear this?

The CHAIRMAN. Personally I would like to, but I want to see how the others feel.

Senator FULBRIGHT. I would.

Senator CAPEHART. I would like to know what happened in Cuba.

Mr. DULLES. I will get to that.

The CHAIRMAN. Suppose you proceed. This is very interesting.

CHINA'S "GIANT LEAP FORWARD"

Mr. **Dulles**. Turning to Communist China, Peiping's domestic economy in 1958 was largely dominated by what they describe as "the giant leap forward."

The "giant leap" and the associated programs proposed and produced a marked increase in production, especially in industry.

However, large proportions of industrial increases came out of small rural plants where quality was low and uneven. They claimed that they doubled the grain and cotton output, but we do not credit these figures.

The Communist Party there has called for production increases in 1959 which are only half as large in percentage as those claimed this year, but they are still fantastically ambitious.

In 1959 the goal for food grains is 525 million tons, which would equal some 60 percent of the rest of the world's output in 1957.

This astonishing level is to be reached while the acreage is cut in a new basic field system under which some land taken out of cultivation and part of the remainder is farmed intensively in the belief that yields can be raised without limit.

We think these are fantastic and unreasonable.

Senator **Capehart**. This is China?

Mr. **Dulles**. This is solely China.

On industrial progress, Communist China is acutely conscious of its deficiencies in science and technology. They claim a steel production of 11 million tons in 1958, almost double that of 1957, and they hope nearly to double it again in 1959.

About three-fourths of the 1958 production was by modern methods. The remaining one-fourth was "backyard" production to which I have referred, of some use but of admittedly low quality.

China is rapidly moving toward self-sufficiency in conventional weapons manufacture. It is now producing Mig 17 jet fighters, including engines, but probably not some of the subassemblies.

It is producing submarines, using some Soviet-made components. It also appears that most of the conventional ground equipment, including tanks and heavy artillery, are being produced locally.

There is no native missile capability at present. But they could employ air-to-air and short-range ballistic missiles, if they were supplied to them by the U.S.S.R.

RECOGNITION OF COMMUNIST CHINA

The **Chairman**. Are you dealing with the subject of how they feel about our refusal to recognize them?

Mr. **Dulles**. No; I am not dealing with that. I am leaving that to the State Department.

The **Chairman**. I know, but isn't that one of the essential elements that you have to take into consideration?

Mr. **Dulles**. They attack us on that account.

They attack us generally, but they attack us also on the nonrecognition point.

Senator **Aiken**. Do they exchange ambassadors with any non-Communist countries as yet?

Mr. DULLES. They exchange missions. The British have a chargé in Peiping. The Dutch, the Swedes, and the Swiss have ministers, and the Indians have an ambassador.

The Burmese and the Indonesians have ambassadors. There may be a few more, but there is a diplomatic colony in Peiping.

Senator AIKEN. In other words, the Western countries are inferior, diplomatically speaking?

Mr. DULLES. Yes; and they are treated in an inferior manner. They do not get around as the Indians and the others do.

Senator AIKEN. They are humiliated?

Mr. DULLES. Some of them are treated with what approaches humiliation.

CHINESE PROPAGANDA

The CHAIRMAN. Do the people of Communist China understand our reason for not recognizing them?

Mr. DULLES. Generally I do not think they do. There is not much broadcasting to China. The Voice of America does some, and there is some from Taiwan. But it is a very hard country to cover by broadcasting, and there are few other ways of getting information in.

Mr. AMORY. Can I make one point in answer to the chairman?

Mr. Chairman, the Chinese propaganda is 90 percent concerned with our so-called occupation of Taiwan and support of the Chiang Kai-shek "bandit" clique.

There is much more propaganda in the Soviet Union about the irrationality and the unjustification, from their point of view, of nonrecognition.

The Chinese are not interested in recognition until we have withdrawn from our alliance with the Nationalist Government.

The CHAIRMAN. Are the Russians capitalizing on our attitude toward China?

Mr. AMORY. Yes.

Mr. DULLES. Yes. Most of the Communist Chinese propaganda is related to the Taiwan situation.

The CHAIRMAN. Yes.

Senator WILEY. What effect has that propaganda had on the other countries in Asia?

Mr. DULLES. Not very much. The other countries are by and large not very happy about developments in Communist China.

Burma, for example, has had its trouble with Communist China. Thailand has had its troubles. Obviously, Southern Vietnam and Laos have had their troubles.

India's friendship with Communist China has somewhat cooled, and they are disappointed about the attitude of the Chinese Communists. Possibly Sukarno is as close to the Chinese Communists as any Asian leader, but there is no great enthusiasm for Communist China in Southeast Asia.

Senator WILEY. Sukarno is kind of scared, too, of the Communists, isn't he?

Mr. DULLES. Yes.

Senator LAUSCHE. Let us get the record straight. An answer was given that Russia is capitalizing on the fact that we failed to recognize

China. I want to ask whether capitalization at one end may be destruction at another place.

The implication may be that we are making a mistake in not recognizing Communist China. I want to know if that is a fact.

Mr. DULLES. That was not intended, as far as anything that I have said is concerned. That is a political matter which I keep out of.

Senator LAUSCHE. Is it not a fact that those southeastern nations are now becoming frightened that Communist China, with its giant leap forward and having everybody work with their hands, is beginning to dump its products into those nations, and is likely to destroy their economy further?

Mr. DULLES. I was indicating that these nations were not happy about Communist China; I was not suggesting that the Soviet Union was making any capital out of this in the outside world. This is only within Communist China.

What the Soviet Union says in Europe, in Southeast Asia, so far as nonrecognition is concerned, is of no significance. In fact, they have not used that much in those areas.

Senator LAUSCHE. All right.

POSSIBLE CHINESE SPACE SHOTS

Mr. DULLES. I said they had no native missile capability, but could employ air-to-air and short-range ballistic missiles if supplied by the U.S.S.R.—for example, the Sidewinder.

If they were given anything of that kind they probably could employ them. We do not know that they have been given them.

And an Earth satellite could probably be launched from Chinese territory in the next year or so if the Soviets should decide to do it. We have thought for some time that for the impact in Asia, they might move over into and launch a satellite from Chinese territory with the Chinese umbrella around it.

It would be a Russian operation, but it might be given some oriental Chinese covering, which the Chinese Communists would like very much; then they would be able to exploit it in Southeast Asia.

We have been following the possibility of that development closely. We have no direct evidence of it. It is something that could be done without a great deal of difficulty, and therefore something they might do.

SINO-SOVIET ALLIANCE

The Sino-Soviet alliance continues firm with Peiping remaining, but it is a partner, and not a mere satellite. There is some evidence of friction during the last year, 1958. While Peiping followed the Soviet lead in denouncing Tito last May, the vehemence of the Chinese attacks disconcerted Moscow; they were much more vehement against Tito than Moscow itself was.

Moscow seems uneasy about Peiping's big talk during the flurry in the Taiwan Straits last summer and may have counseled caution.

I think I said before that the Chinese-Russian trade relations are largely on a cash and carry basis. There are no grants.

There may be certain loans, but there are no grants, and the loans are repaid out of Chinese funds. Moscow was also displeased by recent Chinese claims that the communes are the best organization form for communistic society. Peiping has somewhat modified its claims, but Moscow still seems unhappy about the fact of the communes, which are not in the Russian pattern.

While Khrushchev and Mao publicly praise each other, there are many recent reports that each regards the other with misgivings. Chou En-lai [3] is on his way, or is in Moscow now, for the meeting of the 21st Party Congress. We expect that the cohesive factors in the Sino-Soviet alliance will remain stronger than the divisive factors for some years to come. However, we expect continuing friction.

MAO TSE-TUNG

Peiping is going ahead with its commune program, with some modifications, and Mao will probably write a doctrinal justification for it. Mao, as you know, has retired as head of the government, and is now head of the party, which is the single strongest position.

He has never liked cocktail parties like Khrushchev. He is much more of a philosopher, and he likes to retire and study. His health problem may have had something to do with it. Anyway, he has given up his ceremonial functions. It is hard to say what it means in downgrading. It may not necessarily appear so, but it may mean that his health is not good, and it may be that he is looking for retirement. He has not yet done that.

Peiping is now pressing Moscow to make available additional exports of machinery for Chinese industralization. We feel that the U.S.S.R. considers China's demands greater than it is easily able to supply. A statement Mikoyan made here, that China is paying for everything she gets, is fairly correct.

Peiping may also be asking for nuclear weapons, which the Soviets would almost certainly be reluctant to furnish.

POLAND AND YUGOSLAVIA

Turning to certain other countries: In Poland, Gomulka [4] retains his independence in certain fields, like collectivization and church-state relations, but expresses solidarity with the Soviet position on all matters of foreign policy and issues affecting the bloc as a whole.

He has a difficult tightrope to walk. His people are not too happy with what he is doing, but there is still a greater measure of liberty in Poland than in any of the other satellites. There is more liberty in personal speech and in other ways than there is in Yugoslavia. Yugoslavia's revisionism is still a prime target for attack by bloc leaders.

While relations between Belgrade and Moscow on the state level remain correct, there is no love lost between the two capitals.

Tito's current Asian tour is an attempt to enhance his prestige with the neutralist Asians. The Yugoslavs have not sent any representatives, so far as we know, to the 21st Party Congress. They may allow their Ambassador to represent them there as they did before, but they are not actively participating.

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[3] Premier of the People's Republic of China.

[4] Wladyslaw Gomulka, First Secretary of the Polish Communist Party.

EAST GERMANY IS MOST VULNERABLE

East Germany is the most vulnerable of the satellites, with Berlin as a great showcase of what the West can do and what the West means. It is certainly one of the reasons for the initiative taken to try to get us out of Berlin.

That has been gone into by others, and I will not go into the Berlin issue in any further detail here except to point out that 95 percent of the people in East Berlin and East Germany are thoroughly fed up with the Soviet Union, and if there were not 20 Soviet divisions there, they would certainly move away from the Communist world.

FRENCH PROBLEM IN ALGIERS

Let us turn briefly to France. There the problem is Algiers. We see no immediate settlement of that situation, but the situation has improved.

The Communist Party has been reduced so far as its representation in the chamber is concerned from 150 to 10. But de Gaulle has some difficult problems ahead. The last elections went, I think, a good deal further to the right than de Gaulle himself desired.

The CHAIRMAN. When you say difficult problems ahead, you mean difficult for them?

Mr. DULLES. Difficult for France, yes. They have some difficult internal problems as a result of the election. For the Algiers problem, there is no apparent solution.

DEVELOPMENTS IN ITALY

In Italy the situation has changed overnight. You probably heard that the Fanfani[5] government has fallen and Italy may go through a rather long and difficult political period of installing a new government.

Otherwise, economically Italy is doing very well; she is extremely friendly toward the West and very cooperative with us, and I would imagine that any new government would follow in that path.

However, the very important development in the last few days has been the Nenni breakoff of the left-wing Socialists from the Communist Party, assuming it is a break, and the attempt to reorganize the left wing of the Socialist Party so as to cooperate more fully with the right wing of the Socialist Party.[6]

The reason Fanfani fell last night was that some of his Socialist members went out of the government. They wanted to deal with Nenni and make a joint unified Socialist Party.

The CHAIRMAN. That was enough to cause a dissolution?

Mr. DULLES. Yes. But you see he had a margin last time of only one vote. I think the biggest margin he ever had was three or four votes, and if he loses any Socialist votes, he is out. He realized that the next time it came to voting, very likely some of his Socialist support would either leave him or abstain; and having won by one vote, he did not see how he could get the strength, so he has resigned.

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[5] Amintore Fanfani, a Christian Democrat, became Premier of Italy in July 1958. He resigned on Jan. 26, 1959, after Democratic Socialists withdraw from his coalition cabinet, and he was succeeded by Antonio Segni, also a Christian Democrat.

[6] On January 18 the Italian Socialist Party adopted Secretary Pietro Nenni's demand for autonomy from the Italian Community Party.

It may take a little time to see how that Nenni development can be fitted into the picture.

On the whole, it is probably a good development, but it probably is going to be more difficult to find a government that can rally a majority. It may be that they will put in a government solely of the Christian Democratic Party and then hope on particular issues to get some support from the right and some support from the left, so as to carry on. They have done that before, and it has worked out reasonably well.

THE POPE'S PROPOSAL

The CHAIRMAN. From what we read in the papers nowadays, the Pope proposes to try to unite the Christian world.

Mr. DULLES. That is very interesting.

The CHAIRMAN. Would that have any effect?

Mr. DULLES. If it could be realized it would have effect. It has been tried before.

The CHAIRMAN. No; but I refer to the agitation.

Mr. DULLES. And it is extremely difficult; but I think it is an interesting and constructive move. But he probably is going to work first to see what he can do with the orthodox church before he tries the even more difficult problem of the Protestant situation.

The CHAIRMAN. Yes. It enters into your calculations; it has to.

Mr. DULLES. We are studying that. It was just announced yesterday, and it is a very interesting development.

STRANGE SITUATION IN THE MIDDLE EAST

In the Middle East is the very strange situation of a drive by Nasser on the Communists at the same time that the Russians are offering him $100 million for the high dam. Nasser has made it perfectly clear that he is not going to tolerate Communist plotting against him.

The situation got rather serious in Syria, particularly. The leading Communist, Bakdash, has fled Syria and has gone to Baghdad. The movement against the Communists is continuing, and there will be some trials. Nasser has been stout in meeting the protests from the Russians. The trials have been done very quietly because the Soviet Government rarely would admit any connection with the local Communist Party, and they move behind the scenes rather than by direct and open action.

The most difficult problem we have to face today is in Iraq where Premier Kassem[7] has allowed the Communist influence to develop to the point there is a question of whether or not they control him. I do not think it has quite reached that point.

Meanwhile, Nasser is extremely irritated at these developments and would like to unseat Kassem and possibly bring in some other military leader.

Some leaders of the divisions in Iraq are not very friendly to Kassem, and there might be a military coup there at any time. Meanwhile, the Russians have sent in considerable numbers of arms, and Kassem has armed a fifth division, taking elements of other divisions that he thought might be friendly to him, with Russian arms. That is what he is depending on immediately for his protection.

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[7] Maj. Gen. Abdul Karim el-Kassem, Premier of Iraq, who overthrew King Faisal in July 1958.

However, he must control certain of the other four divisions if he is going to expect to last.

CHINESE AND RUSSIANS IN THE MIDDLE EAST

Senator AIKEN. Do you understand that the Chinese and Russian Embassies in Baghdad are working energetically and effectively to spread their anti-U.S. propaganda?

Mr. DULLES. They are working very effectively. I do not recall that there is a Chinese Embassy there. There is a very large Russian Embassy.

Senator AIKEN. The Chinese are in there somewhere.

Mr. DULLES. The Russians have been extremely active. As soon as the revolution took place, they got arms on a boat and sent them to Basra, and they were unloaded recently. There is a large mission there.

KURDISH PROBLEM

The great interest in Iraq to me is the whole problem of Kurdistan. The population of the northern part of Iraq is largely Kurdish. The population of that part of Azerbaijan is Kurdish, and part of the population in Turkey is Kurdish.

If the Russians could develop it, there would be a passageway from Georgia in Russia all the way through——

Senator AIKEN. It has made it very difficult for American officials in Baghdad.

Mr. DULLES. [Deleted.]

If Russia could get the Kurds to go with them, that would give them a big advantage. On the other hand, the Kurds have always worked for their own independence, have their own culture—it is a tribal group, and there are many tribes there—[deleted.] There are a great many of them. The figure I was given [deleted] was 4 million altogether. It is hard to know. There never has been a census.

THE ARAB-ISRAELI SITUATION

On the Arab-Israeli situation, Israel continues to be concerned over the growing Arab military strength and cockiness. There are indications that Israeli strength is increasing in the north near the Syrian border. They have been beefing up their military position there.

There have been incidents there between Egyptian-based jets on the Sinai Peninsula and the Israeli Air Force, but I do not expect anything dramatic to happen in that situation immediately.

SITUATION IN PAKISTAN

In Pakistan, a military government has been set up under Ayub Khan, who had a British education; his whole military career was worked out in connection with the British. In fact, if you talk to him today, you think you are talking to a Britisher.

He has been able to maintain the government, but the situation in Pakistan is a worrisome one, particularly East Pakistan. This is a country divided——

The CHAIRMAN. Does your comment apply to both East and West Pakistan?

Mr. DULLES. Oh, yes. This applies to both East and West Pakistan. It is going to be some time, I think, before they can reorganize a democratic form of government and put it into effect. But they still are coordinating closely on foreign policy and other matters with, and are very friendly to, the United States.

Ayub himself is a great friend of this country.

BURMA AND THAILAND

In nearby Burma, General Ne Win has taken over temporarily because of the breakdown of the U Nu government, and because of all of the problems which these relatively inefficient governments, such as that of Burma, are unable to meet.

The army move was motivated by the deteriorating political and economic situation, and by a desire to meet the leftward drift of U Nu's policies.

In Thailand, the government of Marshal Sarit assumed overt control in September. However, Marshal Sarit is a very sick man, and there may be a change in the government control there in the near future.

LAOS AND CAMBODIA

Laos is one of the most difficult problems. It is one of the most backward of the countries. The government of Premier Phoui has recently been granted full powers and may have a chance to get the country reorganized, with the help of the military.

In fact, we have a better chance in Laos than we have had at any time during the past few years, and it depends a good deal on whether Premier Phoui can make peace with some of the older politicos and bring into his government more of the younger and newer element, and coordinate his activities closely with military leaders there who are sound.

Meanwhile, in Cambodia there is great dissatisfaction with Sihanouk. He broke relations with Thailand. He has never had relations with Southern Vietnam, and there is a general feeling that he is irresponsible and dangerous.

There have been widespread plots which we are accused of having something to do with; the accusation is wholly false, but that situation is heating up to a climax and unless Sihanouk mends his ways, there might well be an internal as well as external effort to try to bring about a change.

INDONESIAN REVOLUTION

In Indonesia, the Communist influence has somewhat declined, but it is a country wracked with revolution.

While the dissidents in Sumatra and in the northern Celebes have been defeated as a military force in being, they still control large areas of the country, particularly in Sumatra.

None of the dissident leaders of the Masjumi Party, who represent some of the best elements in Indonesia, have been captured by Sukarno. It would require a major military effort to put down this guerilla warfare, particularly in the mountains of Sumatra.

But the revolution has had the effect of somewhat tempering Sukarno's move to the left. The chief of staff is anti-Communist, and has been trying to organize the army effectively so as to prevent further Communist inroads.

The elections will be postponed, and the country will be ruled for the time being pretty much on a dictatorial basis by Sukarno, with the support of his Prime Minister Djuanda and Nasution.

Meanwhile, we hope for an approach by the government to the rebels so that once they get rid of this civil war and they can go back to that great economy. The possibilities in Indonesia are tremendous, if they could be put to work for the good of the people.

Oil reserves have been developed in Sumatra that are almost second to those in Arabia, and there are great possibilities in that country if peace is restored.

NEHRU'S INDIA

In India, the Congress Party under Nehru continues to be the dominant political force, although there has been some deterioration in the Congress Party and some slight growth in Communist strength.

This has worried Nehru and it is one of the reasons he has been disturbed by developments in Communist China.

India is unlikely to be able to fulfill more than 80 percent of its second 5-year plan because of the shortage of both domestic resources and foreign exchange, and this will slow down India's economic expansion.

AFGHANISTAN NEUTRALITY

In Afghanistan there have been few changes. The government is endeavoring to maintain its neutrality, and largely succeeding, despite the agreements it has with the Soviet Union. In early January of this year, Afghanistan reached a new agreement with the U.S.S.R., at least in principle, whereby the Soviets would aid several new economic projects.

The size of the financial commitments is not known, but up to the present time the Soviet bloc aid to Afghanistan has been in the range of $160 million.

JAPANESE PARLIAMENTARY CRISIS

Japan may have weathered its parliamentary crisis. Kishi has had some setbacks, unfortunately. His leadership, however, has been confirmed, but over substantial voting in the Liberal Democratic Party against him, and he probably will have to reorganize his cabinet.[8] His friendship and cooperation with the United States remain.

The CHAIRMAN. How has the royal marriage affected the people? Isn't it breaking with a long tradition?

Mr. DULLES. Yes. Well, England did it. I think it is popular.

Mr. AMORY. [Deleted.] It is terribly popular and all but the stuffiest group of the old feudal society surrounding the court think it is a good thing for Japan long-range.

CORRUPTION IN THE PHILIPPINES

Mr. DULLES. In the Philippines, the government of President Garcia is showing continued inability to stem the country's economic deterioration, and to eradicate corruption within its own administration. There is growing popular dissatisfaction.

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[8] Premier Kishi's party increased its strength in Parliament during the election of June 1959.

[Deleted.] The situation there is a very difficult one. The control of export permits and import permits has been the subject of graft and corruption because it is the life-blood of all industry, and if something cannot be done so that the economy can be freed from this burden and some of the graft checked, we are going to have a tricky situation in the Philippines.

SHELLING IN THE TAIWAN STRAITS

In the Taiwan Straits, there has been periodic shelling rather than heavy barrages by the Communists. Every once in a while there will be a few hours of heavy shelling just to demonstrate they are still there and shooting.

We believe that one of the things the Chinese are trying to do is to beef up their air force.

They were disappointed in the results of the air battles. The Chinese Nationalists took them over more than 10 for 1, and that really disturbed them.

There are some reports that the Russians have been sending Mig-19's to China, which would give them a much greater capability. [Deleted.]

Mr. **Amory**. [Deleted.]

COLLAPSE OF BATISTA IN CUBA

Mr. **Dulles**. In conclusion, Mr. Chairman, we turn to this hemisphere. Cuba—that is a tough one. I do not think Intelligence did badly in that situation. We felt that Batista was on the losing end of the stick weeks before it came to an end. In fact, an effort was made through extra-diplomatic means, quietly, to see whether he would not depart, and an effort was made to see if one could put in an interim government that would at least permit negotiations with Castro.

He stayed on too long, so that was impossible, and Castro came in. They are going through a little "French Revolution".

Senator **Capehart**. Did the army desert Batista?

Mr. **Dulles**. For the most part. For the last 4 or 5 months, the army was not fighting.

Senator **Capehart**. They deserted the government?

Mr. **Dulles**. They did not go to the other side because they did not want to live in the hills either. But they just did not fight. They just sat on their arms.

Senator **Capehart**. In other words, this revolution would not have been successful had the government's army done its duty?

Mr. **Dulles**. Yes.

Mr. **Amory**. The army of Batista was a mercenary army drawn from the lowest dregs of Cuban society, mostly Negroes, and when they got into combat in the jungles, they would not go anywhere.

Senator **Capehart**. Did some of the generals desert Batista?

Mr. **Amory**. No.

Mr. **Dulles**. Not many.

Mr. **Amory**. It was pretty much an amateur army. All his key leaders were youngsters in their late twenties and early thirties.

Senator **Capehart**. Batista's?

Mr. **Amory**. No, Castro's.

Mr. DULLES. He had several hundred military leaders on the Isle of Pines.

Senator Capehart. The government people?

Mr. DULLES. The government people, and he was shifting the military leadership around trying to get some fight out of them.

Senator CAPEHART. Then the army really deserted him.

Mr. DULLES. Well, they did not actually go over to the other side. There was not any place to keep them. The army sat on their hands.

Senator CAPEHART. Had they had a good army and a well-disciplined one, they could have put down the revolution any time they wanted to; is that what you are saying?

Mr. DULLES. Well, in those mountain areas what you need against guerillas are guerillas. They went at it wrong. It is rough country, and there is no use sending tanks and heavy artillery up there. What you need are people who are willing to go into those jungles and fight. There were not many of them in the army, and there was great dissatisfaction.

For instance, the ordinary businessman in Cuba had deserted Batista. [Deleted.]

Senator AIKEN. Has Castro moved into the Isle of Pines?

Mr. DULLES. Yes. That was opened up before he got into Havana.

Senator AIKEN. There has been nothing in the news about it.

Mr. DULLES. No; there has been nothing in the news about it. [Deleted.]

REASON FOR EXECUTIONS

Senator CAPEHART. What is the reason for Castro's executing so many people?

Mr. DULLES. Well, why were so many people killed in the French Revolution? When you have a revolution, you kill your enemies.

There were many instances of cruelty and oppression by the Cuban army, and they certainly have the goods on some of these people.

Now there probably will be a lot of injustice. It will probably go much too far, but they have to go through this. The present cabinet of Urritia is not a bad cabinet. We do not think he is a strong man. His Prime Minister is a very good man, who now says, "I haven't got any authority. I am thinking of getting out."

Castro is a young man, about 32 years old.

FIDEL CASTRO

Senator CAPEHART. What about Castro? Does he have any capabilities?

Mr. DULLES. He is a young lawyer, and 32 years old. He is 3 years too young to run for the Presidency in Cuba.

Mr. AMORY. That is right. They have the same constitution that we have here.

Mr. DULLES. He certainly has shown great courage. We do not think that Castro himself has any Communist leanings. His brother is more irresponsible. This fellow "Che" Guevara, the Argentinian who has been fighting with him, we are rather suspicious about. However, Castro recently has made a good move and thrown some of the Communists out of the labor unions, because there are five labor unions there and the Communists took control of one.

Castro has apparently moved to try to change that situation. So we do not believe Castro is in the pay of or working for the Communists.

We believe, however, this is a situation on which Communists could capitalize, if there is not a move to get control of the situation more fully than Castro has control of it now. He apparently has very wide popular backing throughout the island and this situation may work out, but we may have more trouble.

But American intervention there at this time, or even before, would have had disastrous effects throughout the whole hemisphere, and I see no alternative—that is a matter of policy. But from the intelligence point of view, American intervention would seem now to be a move which would be counterproductive.

U.S. MARINES IN HAITI

Senator FULBRIGHT. Mr. Dulles, in that connection, don't you think it is a psychological mistake to send Marines to Haiti? If they need help, why don't we send an Army contingent? Marines are a symbol of political intervention.[9]

Mr. DULLES. This was a small training mission.

Senator FULBRIGHT. I know. That is even less reason to use Marines, because it goes back to the dollar diplomacy of 50 years ago, and it is bad psychology. Why couldn't an Army group do just as well?

Mr. DULLES. I do not know. Frankly, I am not informed on the subject.

Mr. AMORY. I just noted with interest, Senator, a letter from a Haitian in the paper—you may have seen it last week—which indicated that this was perfect, because the Marines, when they first went in there were not liked. In 20 years they were there they built up a number of friendships and symbolized law and order.

Senator FULBRIGHT. I am not talking about it from the Haitian point of view; they asked for it. I agree. I am talking about our overall responsibilities, and our reputation in all Latin America.

SITUATION IN VENEZUELA

Mr. DULLES. In conclusion, I want to say a word about Venezuela. At the present time from the American point of view, that, of course, is the country with which we have the greatest trade, which has the greatest store of being developed, with assets in the form of oil, iron ore, and so forth.

The result of the elections, from the American point of view, I think, was quite satisfactory. Betancourt is an experienced political leader. While he had a period of extreme leftism in the early days, he, of course, of all the candidates—certainly more so than the Admiral—came out anti-Communist, and if the army will tolerate him and work with him, we think he has a chance of doing well. But that is a tricky situation because the army does not like him.[10]

By and large, American business interests with whom I talked thought Betancourt was the candidate from whom they could probably expect the most justice.

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[9] In October 1958, 10 Marines were sent to Port-au-Prince, Haiti, to reorganize the Haitian army and police force, at the request of President Francois Duvalier.

[10] Romulo Betancourt was elected President of Venezuela in December 1958, defeating Rear Admiral Wolfgang Larrazabal and Dr. Rafael Caldera.

In Venezuela, as throughout the world, the whole question of the 50-50 ratio is under discussion, and recently, by methods of taxation, they have effectively changed that.

That was disturbing, particularly the way it was done. This was not negotiated; it was done by the junta before Betancourt came in. Whether or not Betancourt said, "You do this, boys, and that is all right because I don't want the disagreeable task of negotiating with the United States," it is, in any event, a disturbing element that a change of this kind in the contractual relationship affecting particularly the oil companies, but later affecting also the other American interests, as soon as iron ore comes into production particularly.

However, the government in Venezuela should be fairly reasonable. But this oil percentage question is a worldwide problem, and we are going to meet it in the Middle East. We are going to meet it in Venezuela and elsewhere in the world.

Mr. Chairman, that is the end of a rather long, I regret, too long, presentation.

The **Chairman**. Not too long.

Senator **Capehart**. Excellent.

PRESS STATEMENT

The **Chairman**. It was excellent, very comprehensive, and we are grateful to you for all the trouble you have taken in meeting with us and telling us these things.

Senator **Lausche**. I would like to ask a question.

Senator **Fulbright**. I wonder, before you leave, Mr. Dulles, if you have any suggestion as to what we should say to the press on this kind of a meeting? They will be asking the chairman about it. Do you have any suggestions?

Mr. **Dulles**. I wonder if one could not say that I had given a general appraisal of critical and important situations in the world. I would rather not start giving particular items of it. I have the same problem with other committees, and this committee has had a great reputation for the security of its operations and the frankness with which one can address it. I think the press will be satisfied if they have a report that I gave a general survey of the intelligence problems.

The **Chairman**. All over the world.

Mr. **Dulles**. All over the world.

Senator **Aiken**. Mr. Chairman, I thought that if anybody asked me, I would say it was the most comprehensive review this committee has yet received.

The **Chairman**. It was a wonderful background.

Senator **Aiken**. It was very helpful.

Mr. **Dulles**. I am not anxious to have individual comparisons raised with anybody else.

Senator **Aiken**. It was better than some of your previous ones.

The **Chairman**. Is there anything more you have to add?

Mr. **Dulles**. No, Mr. Chairman.

Senator **Lausche**. I would like to ask a question.

The **Chairman**. Go ahead.

SOVIET MILITARY BUDGET

Senator **Lausche**. How is the Soviet Union able to develop this great military strength? First, you said 16 percent goes to their defense budget, and then 23 percent of their budget is devoted to the military and other items, while in our country I think it is 60 percent for the military.

Mr. **Dulles.** I think the budget is entirely fictitious, Senator, because in a totalitarian society, where the government controls all the sources of production, you have no way of telling what their hidden expenditures are.

Undoubtedly, as with us, one of their big items is missiles. They are the sole producer of missiles. How much of that shows in the budget, I do not know. If they have to build a new plant, under what heading does that appear in their budget? But I think their budget figures, as far as military production is concerned, are totally fictitious because we know—or at least we think we know, going over the hardware they produce and comparing it with our own hardware—the number of troops that they have, which is in excess of ours.

Senator **Lausche.** How many troops do they have?

Mr. **Amory.** Well, 4,235,000, all services.

COMPARISON OF TROOP PAYMENTS

Senator **Lausche.** Would you say that our troops are paid 10 times as much as theirs?

Mr. **Amory.** Yes. We will add to the record a detailed list.

Senator **Lausche.** By 10 times as much do you mean the cost of one man to our Government?

Senator **Fulbright.** No; it is the pay.

Mr. **Amory.** It costs about the same amount to feed them, and to uniform them.

The **Chairman.** You do not mean their salaries are 10 times——

Mr. **Amory.** Yes. The salary of a private soldier in the Soviet Army, as in most of the world. The Soviets are closer to the rest of the world than we are.

Senator **Lausche.** Are you equating their dollar to our dollar, 10 to 1?

Mr. **Amory.** You have to translate it into different ratios for all sorts of things. When you translate it into consumer items, such as chocolate bars, the ratio is greater—it is 40 to 1.

Senator **Lausche.** Let's get this clear. Am I correct then in assuming that the pay of our soldiers, sailors and marines is 10 times that of the Soviet military?

Mr. **Amory.** That is true in the lower ranks, I believe, but I am going to check it.

Mr. **Dulles.** We would be glad to add a memorandum, because we did not come prepared.

Senator **Fulbright.** We have had testimony that with the Italians and the Spanish, it is more than 10 times when you translate it into consumer goods, or the purchasing power of what they get. This is just the common ordinary thing. They probably get a higher ratio than the Italians.

Mr. **Amory.** One other point, Senator Lausche; don't forget their budget is, roughly speaking, 70 percent of their gross national product.

They have a gross national product on the order of 200 billion of our dollars, and their total budget is roughly $140 billion. Of that, we are talking about 22 percent going into the military, whereas our budget deals only with what the Federal Government expends, not even what the local governments do and, of course, not with what private industry does.

Senator Lausche. The task of financing our Government is quite important to me. If we are paying 10 to 1, you can see why we are having difficulty in providing the money that should be put in.

The Chairman. We will go broke in the end if that goes on indefinitely.

Senator Lausche. I would like to give our military every nickel they ask for, and which they can prudently spend, and then cut back a lot of the desirable projects that are being advocated, but are not essential. But that will never come to pass. We are sacrificing the military to promote a lot of desirable and wanted projects.

COMPREHENSIVE PICTURE OF THE WORLD

The Chairman. Mr. Dulles, I know that I speak for all the members of this committee, and I thank you heartily for coming here and devoting so much time and giving such a comprehensive picture of the world.

Mr. Dulles. Thank you, Mr. Chairman. I appreciate the opportunity of coming here. We would like the opportunity to submit a memorandum on this last point that Senator Lausche has raised to add to the minutes.

The Chairman. We would be very glad to have a memorandum.

Mr. Dulles. Thank you very much.

The Chairman. Let us know whether or not it is confidential.

Mr. Dulles. Yes.

Senator Lausche. I would like it very much, and could you elaborate so that there could be an intelligent comparison made and so that one could, in his own mind, conclude whether the disparity in the cost is such that we cannot keep up with them.

Mr. Dulles. Thank you, Mr. Chairman.

[The following information was subsequently submitted for the record:]

Comparison of United States and U.S.S.R. Military Manpower Strength—1958

Defense Establishment	*United States (June 30, 1958)*	*U.S.S.R. (October 1, 1958)*
Ground Forces	898,000	[1] 2,650,000
Air Forces	871,000	[1] 725,000
Naval Forces	[2] 830,000	[1, 3] 875,000
Air Control and Warning Forces	(4)	75,000
Total	2,599,000	4,325,000
Military Coast Guard	26,000	
Militarized MVD Troops		100,000
Militarized Border Guards		300,000
Grand Total	2,625,000	4,725,000

[1] Excludes personnel permanently assigned to PVO with aircraft control and warning as their primary duty.

[2] Includes Marine Corps and Naval aviators.

[3] Includes Naval aviation, Naval infantry and coast artillery.

[4] Included in respective parent services.

To value the equivalent dollar purchasing power of the ruble pay of various ranks of Soviet soldiers cannot be done with precision. We have no detailed information as to how the Soviet soldiers or officers spend their pay. The answer can only be approximated by reference to the consumers goods ratios which have been calculated for the population as a whole. The consumer ruble-dollar ratio is about 8 to 1, using the Soviet consumption composition. Converting Soviet base pay at 8 to 1 gives the following dollar equivalents:

COMPARISON OF SOVIET AND U.S. COMBAT INFANTRY BASE PAY SCALES[1] DOLLARS[2] PER MONTH

Ranks	*United States*	*U.S.S.R.*
Brigadier General	800	450
Colonel	593	362
Lt. Colonel	474	288
Major	400	238
Captain	326	200
1st Lieutenant	259	162
2nd Lieutenant	222	150
Warrant Officer (W-1)	219	125
E-7	206	[3] 19
E-6	176	[3] 12
E-5	145	[3] 9
E-4	122	[3] 8
E-3	99	[3] 5
E-2	86	[3] 4

[1] Exclusive of longevity, quarters and other allowances and perquisites.
[2] Ruble rates converted at consumers goods ratio of 8 rubles to the dollar.
[3] Conscript scale.

[Whereupon, at 1:10 p.m., the hearing adjourned.]

MINUTES

TUESDAY, JANUARY 27, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee entered an executive session at 12:40 p.m. in the committee room, F–53, Capitol, to consider nominations.

Present: Chairman Green, Senators Fulbright, Mansfield, Gore, Church, Wiley, Hickenlooper, Aiken, and Carlson.

Without objection and by voice vote the committee approved for report the nominations of Howard P. Jones and 119 others in the Foreign Service; C. Burke Elbrick, to be Ambassador to Portugal; James C. H. Bonbright, to be Ambassador to Sweden; Richard B. Wigglesworth, to be Ambassador to Canada; Lampton Berry, to be Ambassador to Ceylon; John D. Jernegan, to be Ambassador to Iraq; Harry A. Bullis, to be Chairman of the International Development Advisory Board; Livingston T. Merchant, to be Assistant Secretary of State for European Affairs; Leonard J. Saccio, to be Deputy Director of the ICA in the Department of State; John O. Bell, to be Special Assistant for Mutual Security Coordination in the Department of State; and Henry A. Byroade, to be Ambassador to Afghanistan.

Three other nominations were put over until the next committee meeting.

For record of proceedings, see the official transcript.

[There being no further business, the committee adjourned at 12:45 p.m.]

MINUTES

WEDNESDAY, JANUARY 28, 1959

United States Senate,
Subcommittee on Disarmament of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 10:05 a.m. in the committee room, F–53, Capitol, in the first of a series of hearings to be held by the Subcommittee on Disarmament matters. The meeting was executive.

Present: Chairman Humphrey, Senators Gore, Wiley, and Hickenlooper.

Witnesses were Dr. James Fisk, member of the President's Science Advisory Committee, and chairman of the Western Delegation at the Geneva Conference in 1958; and Dr. Carl Romney, seismologist, United States Air Force.

For record of proceedings, see the official transcript and published text.

[Following their testimony, the subcommittee recessed at 12:15 p.m. until 2 p.m. the same day.]

Afternoon Session

The subcommittee reconvened at 2:15 p.m. in the committee room, F–53, the Capitol.

Present: Chairman Humphrey, Senators Lausche, Gore, Church, Aiken, and Hickenlooper.

Witnesses were Philip J. Farley, Special Assistant to the Secretary of State for Disarmament and Atomic Energy; Dr. Herbert Scoville, Jr., Assistant Director for Scientific Intelligence, CIA, accompanied by Abbot E. Smith, Deputy Assistant Director, Office of National Estimates, CIA, and John S. Warner, Legislative Counsel, CIA.

For record of proceedings, see the official transcript and published text.

[After their testimony, the subcommittee adjourned at 5:30 p.m.]

RESIGNATION OF THE CHAIRMAN

FRIDAY, JANUARY 30, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, at 11:05 a.m., in the committee room, U.S. Capitol Building, Hon. Theodore Francis Green (chairman) presiding.

Present: Chairman Green, Senators Fulbright, Sparkman, Humphrey, Mansfield, Morse, Long, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, and Capehart.

Also present: Senator Lyndon Johnson (Texas), Majority Leader of the Senate; and Mr. Marcy, Mr. Holt, and Mr. St. Claire of the committee staff.

The Chairman. The committee will please come to order.

This special meeting was called—in addition to the usual meeting, and I'm sorry to take your time—because I had occasion to write to our colleague, the Honorable Lyndon Johnson, a letter which he thought should be presented to the committee and on which he should be given an opportunity to comment if he thought necessary.

LETTER TO THE MAJORITY LEADER

The letter is dated yesterday, and reads as follows:

> Dear Lyndon: Following my eye operation at Lankenau Hospital in Philadelphia last fall, you will recall that we talked together relative to my continuing as Chairman of the Senate Committee on Foreign Relations.
>
> I believe it only right and fair to advise you at this time that my eyesight and defective hearing have not improved since our talk. This makes my work harder, and perhaps less effective.
>
> While I have the physical stamina to carry on as Chairman, I am forced to conclude that it will be a long while before my eyesight has been fully restored and this handicap removed.
>
> We both know that the work of the Chairman of the Senate Foreign Relations Committee is exacting and time-consuming, thus demanding eyesight and hearing without the impairments I have mentioned.
>
> Since talking with you, I have weighed carefully the pros and cons of the situation, and I write now to confirm my original thought that I should be relieved as Chairman of the Senate Committee on Foreign Relations. I will, of course, want to retain my membership and seniority status on that Committee.
>
> As we both know well, my decision to resign is not based upon misleading newspaper articles or slanted editorials by a few callous newspaper writers. Through many long years, they have little affected my determined effort to be a useful public servant. Rather is the decision based upon serious consideration as to what would be best for My Country, for the United States Senate, and for the Senate Committee on Foreign Relations itself—the 3 objects which, as you know, are my chief interests in life.

I trust, Lyndon, that you will give early consideration to my request so that the Committee, under new chairmanship, may proceed with the important work which lies ahead.

Yours sincerely,

THEODORE FRANCIS GREEN.

As I said before, Senator Johnson has suggested that he be allowed to be present at a meeting of the committee, at which I am now presiding and presenting this letter.

Senator JOHNSON. Mr. Chairman.

The CHAIRMAN. Senator Johnson.

URGED CHAIRMAN TO RECONSIDER

Senator JOHNSON. I thought it desirable that the members of the Foreign Relations Committee be among the first to know of the decision that Senator Green had reached.

There are very few days in the life of a leader that are pleasant ones. I need not tell you that yesterday and today are two of the saddest days I have had.

Last August Senator Green told me that he needed to be relieved of some of the work that he was carrying as a Senator.

In December, I talked to him again, and to members of his staff; and on January 3d, at 2:30 in the afternoon, I went to his office and he explained to me that he felt he could not carry on with all his duties, following his operation.

I need not tell you men who have heard this letter that anyone that wrote that letter is capable of doing nearly anything in the world. I think it is one of the greatest letters that I have ever listened to.

[Applause.]

Senator JOHNSON. I have known, ever since I came to the Senate, that he is one of the great men of our time; but yesterday morning he called me from the room where I was presiding and asked if I would be kind enough to come to his office, and I did. He told me of his desire to retire as chairman of the committee and retain membership and seniority on the committee. I reminded him that I had relieved him of the Space Committee earlier at his request, just 2 weeks ago, and that he could be relieved of work on other committees that he served on, like Rules, but that since I have been in or observing the Senate, no chairman of this committee had ever been able to carry through the Senate major legislation with better success and more unanimity than Senator Green. I urged him to postpone that decision, or reconsider it.

He said he would do that. He wanted to act prudently, he did not want to be hasty. But his three loves in life were the United States of America, the United States Senate, and the United States Senate Foreign Relations Committee, and his judgment at that time was that in order to best serve those loves, he should resign.

At 4:40 yesterday afternoon, he called me and asked me to come back to his office, and he read me this letter before he signed it.

I again told him that I thought it was a mistake, and that while I had no authority to speak for anyone, I felt sure that every member of the Senate felt as I did. We had just unanimously elected him as chairman of the committee by order of the Senate. I told him that no criticism of his actions in any form had come to me, the leader;

that at times questions had been raised by members of the committee but there had never been one raised about Theodore Green on any committee, and that the Senate was perfectly capable of determining who it wanted as its chairman.

I would say that Senator Fulbright, Senator Wiley, Senator Hickenlooper, and Senator Aiken would take the same position.

NO OTHER CHOICE BUT TO ACCEPT DECISION

I talked to him later about it and urged him to continue as chairman. He told me his decision was final, that he dictated this letter during the day and wanted me to read it. If there were any changes I felt should be made, if anything was inaccurate, he would like me to point them out.

After hearing him, I thought I had no choice other than to accept his decision, because I am not one who wants to insist that he carry a burden he does not feel he should carry. But I did urge him to withhold it until he could meet with members of the committee and tell them of his decision.

When I walked out of his office, I realized that I had just finished a meeting with one of the greatest men that I had ever known, and I know you will feel the same way.

Now, we are here. You have heard the letter. I met with him twice yesterday and I communicated with him twice this morning. In each instance I urged him not to deliver the letter, not to read it to the committee, but it is his judgment and his decision, and I am powerless to do any more about it.

I have tried to persuade him. I have assured him, as best I could, of the feeling that all of us have for him. I have talked to the Republican leader, who assured me yesterday and again this morning of his very high regard, esteem and genuine appreciation of the great work that you have done, are doing and are capable of.

However, I thought it only proper that the members of this committee know all the background, all the facts, all there is to know about it before the public knew it, and I am sure that I would like to hear any expressions that any of you have to make.

Senator FULBRIGHT. Mr. Chairman.

Senator JOHNSON. Senator Fulbright?

A REMARKABLY FINE JOB

Senator FULBRIGHT. I certainly regret the necessity that the Senator feels for this move. I think he has done a remarkably fine job of leading this committee. No one has devoted greater time and energy to the work of the committee, and especially to the conciliation of many of our foreign representatives here. Senator Green is one of the most considerate men I have ever met and more sensitive especially to the foreigners' sensibilities while they are here in this country. He is one of the greatest patriots I have ever known in the Senate, and I think that his conduct of this committee work during the past several years since Senator George was here has been in the very highest tradition of the Senate.

I certainly regret the necessity for such a decision.

I know that all my colleagues will have similar feelings, but after all, it is a decision which only Senator Green can and should make.

I certainly hope he will not feel that he cannot continue to give all of us the benefit of his wisdom and experience on the committee.

Senator JOHNSON. Senator Sparkman?

HIGH DEGREE OF RESPONSIBILITY

Senator SPARKMAN. I want to say that I certainly regret and am greatly saddened that Senator Green feels the necessity of doing this. I have often said to his back what I say to his face: That he is one of the most lovable characters, one of the most considerate men and one of the most devoted chairmen that I have ever had the pleasure of knowing.

This is my 23d year in Congress, and I have served under a good many chairmen during that time. I can say that I never served under one who was more devoted to his work, met it with greater fidelity, and was more considerate of the members of the committee than Senator Green.

Senator Green, one thing I have noticed is that you are always on time when the committee is to hold a meeting, even on what you might call nonessentials, which might easily have been passed off to somebody else.

He has taken his work with that degree of responsibility. I want to endorse what Senator Fulbright and the majority leader have said regarding him, and if he goes through with his determination to leave the chairmanship of the committee, he can be assured, I feel certain, of the love and affection of every Senator who has had the high privilege of serving under him.

Senator JOHNSON. Senator Wiley.

CHAIRMAN'S PHYSICAL STAMINA

Senator WILEY. I want to say that this, of course, is a surprise to me. I particularly recall where he says in his letter:

> I have the physical stamina to carry on as chairman.

I remember that on our various trips he tired out everybody else. At the end of the day he was fresh; there is no question about that. What has been most remarkable to me is that in his tender years he has a quick return to every remark that is made. Of course we have gotten along so well together that—well, let me say that I see the sadness of it, I see what it means, but he has arrived at his own conclusion, I'm sure, from the facts he states. He wants to remain on the committee, and that is the big thing. We will have the benefit of his humor and his great faith, and we have a breakfast meeting every Wednesday that Theodore attends and always makes a fine contribution to. He is quite a spiritual leader in his approach to the matters discussed there, and I could not help but think that perhaps that approach has given him the keenness of mind and intellect he has reflected.

Through the years—he came in before I did, some 20 years ago—we have been friends. One time we went to a funeral out West and, coming back, we became acquainted. Since then, we have been very close friends, and I am proud to call him friend.

Senator JOHNSON. Senator Aiken?

A VOLUNTARY ACTION

Senator AIKEN. Although as Senator Wiley says, the chairman has arrived at his own conclusion, in view of recent developments I don't know whether that would be so interpreted by the public. I do not want it to appear that a couple of newspapers forced the chairman of this committee to quit. Maybe I am talking too plainly to be diplomatic, but I have known Theodore Green longer than anyone else around this table and I know the work he has done for the public during his lifetime. I know what he is doing now.

I probably am prejudiced, but I certainly do not want it said that a couple of newspapers forced this committee to accept your resignation, Mr. Chairman, because the work of the committee is going on. We have a competent staff. Senator Fulbright is chairman of the executive committee for the study of United States foreign policy.

Senator Morse is chairman of another subcommittee to study the Latin American policy. That work is going on, and if the chairman persists in submitting his resignation, I would hope that it would take effect far enough in the future to refute any charge that it was not purely voluntary action on his part.

Senator MORSE. Mr. Chairman, may I supplement what George Aiken has just said. I strongly advise Senator Aiken's course of action, and I advise against the chairman's from the standpoint of the best interests of Senator Green and the best interests of the committee.

We are, as George Aiken has pointed out, divided up into subcommittees. A great deal of the burden of the committee can be taken off Senator Green's shoulders. This year, Senator Fulbright is chairman of the study subcommittee of our committee which will continue to go forward and will be the major effort of this committee.

He can function as a sort of co-chairman for the time being, but I think a great deal of damage will be done in view of this unfair newspaper attack on Senator Green, if you immediately respond to it with this resignation.

I think we ought to get our heads together and think of some alternative. If the Senator really thinks he cannot carry on the burden, we ought to try to find ways and means of lightening that burden.

The administrative functions of the committee can be taken over by the staff, under the co-direction of Senator Fulbright.

Here is a great man with a great record of public service, and certainly he is doing a great thing in offering this resignation. But I think we also have a duty to protect him and the committee because there is still much that he can do as chairman of this committee. I think we ought to try to work out an understanding with him before he releases that letter, although I would have him continue in his present capacity and then divide the work of the committee among all of us.

Senator JOHNSON. I urged that course and tried to get him to agree not to have this meeting. I thought it would be very bad.

I agree with what you and Senator Aiken have said. I said that to him twice yesterday and twice this morning. Although I carried the letter home with me last night, I hope that he will give consideration to the thoughts and views expressed here. Maybe some of you can be more persuasive with him than I have been.

That is the reason for this meeting.

RESIGNATION OUGHT NOT BE ACCEPTED

Senator **Lausche**. I regret very much this decision by Senator Green. My tenure on this committee has been brief, but Senator Green, you have been here promptly when the clock struck the minute at which the meeting was to be called; and you presided over the meetings with great efficiency. I do not mind telling you that the operation of this committee, from the standpoint of time, has been better than on any committee that I have served, and I want to urge the consideration of those expressions by Senator Aiken and Senator Morse.

Your resignation now would be interpreted as capitulation to the demands that have been made by a few newspapers. I do not think it is the time to act.

My view is that the resignation ought not to be accepted because you confess that you made a choice that was improper when it was made 2 weeks ago.

Senator **Johnson**. That is unanimous.

Senator Langer?

Senator **Langer**. I want to join with Senator Aiken and Senator Morse and Senator Lausche. No matter how you word it or what we send out, the newspapers that have made those charges are going to take credit for forcing the resignation, and I think it is our duty to protect the chairman of our committee.

If for some reason Senator Green is incapacitated and cannot take an action, I haven't the least doubt that Senator Fulbright will be glad to relieve him any time it is necessary. I certainly do not want to see him resign now.

Senator **Johnson**. Senator Hickenlooper?

METICULOUS ADHERENCE TO DUTY

Senator **Hickenlooper**. Mr. Chairman, this letter of resignation came as a complete surprise to me this morning. I had heard about some newspaper comment but I had not anticipated a resignation by Senator Green.

In response to what George Aiken and others said about what interpretation would be placed on it, perhaps that interpretation would be placed on the resignation. But I also submit that anybody who has known Theodore Francis Green for the years that I have, knows that no pressure of any kind from any source would deviate him from what he thinks is his duty or responsibility. From the standpoint of knowing him, that is different from any possible interpretation.

I can say only that ever since he has been on this committee we have been very close friends. We have had the most delightful and, at least from my standpoint, the most stimulating association.

I have enjoyed his keen insight and his meticulous adherence to what he believes to be his duty. We universally agree that there is no deviation in that idea.

I have this feeling, and it is a difficult thing to face: I think that Senator Green is the one who has to make the decision, and knowing his strength of character and his ability to analyze his own situation and his own affairs, in the last analysis he has got to make up his mind whether it is in not only his best interest, but that of the whole situation to take whatever steps he might want to take.

I regret this situation. I would not be a party to urging a man to continue in a position which might be prejudicial to his health, welfare or well-being, if he believed that it is in his best interest to take a certain step. That is what makes it extremely difficult.

Of course if someone asked whether Theodore Francis Green, per se, should take this action I would say of course not, thinking not the slightest reason for him to. But it becomes a matter of personal well-being and decision by someone who certainly knows his own mind and his own affairs. It is very difficult to attempt to force someone one way or another into an action which might be prejudicial and is a sort of on-the-fence suggestion. I think if he has come to certain conclusions which he believes are sound and definite, at least respect should be given to a solution along that line that would not force an undue burden upon him.

Senator JOHNSON. Senator Humphrey?

A DELICATE SITUATION

Senator HUMPHREY. This letter came as a shock and surprise to me, and I must say I know of no one who has demonstrated great character as has Senator Green, not only in the last week, in the last year, but for as long as many of us have known him. Some of us have not had the chance to know Senator Green as long as you, Senator Aiken, but Senator Green's great spiritual, mental and physical character is second to that of no one I have known. While we have had some arguments in the committee on policy or over a decision, we have never been denied the opportunity to conduct the activities of this committee with purpose and decision. I would hope that every member of this committee—and I know they would want to—would, first of all, extend to Senator Green a resounding vote of confidence and faith and support, which is the least that any of us would want to do, and would give serious consideration to the frank and wise observations made by Senator Aiken and seconded by Senator Morse, Senator Langer and others. It is, to be very blunt about it, a very delicate and sensitive situation, and the gentleman who has tendered his resignation has the affection of every Member of the Congress; he has the esteem and love of the people of his State and he is known as a statesman, as the chairman of this committee. He is a statesman without being chairman, as a matter of fact.

I think it was Senator Fulbright or Senator Sparkman who mentioned his attention to our foreign visitors. It is not only his attention to them here, but the esteem and respect with which he is held when he is there. Some of us have seen that, and I want to go unqualifiedly on record as saying that this is a most distasteful and disturbing moment. I feel very much as Senator Johnson does. I hope that the chairman will reconsider and I trust that before we leave this room, that will be done. At the least, a formalized motion should be acted on expressing the fullest faith, confidence, support and trust in the chairman of this committee.

Senator Aiken. Will the Senator yield?

Senator Humphrey. Yes.

Senator Aiken. Would not the Senator from Minnesota agree that it would be better for our chairman to give up one reception a night and attend the other four, rather than give up the chairmanship and go to all five?

Senator Humphrey. If that has some weight with him, I know it might with some of us. But I don't think that would be so in his case.

Senator Aiken. He is always busy.

Senator Johnson. Senator Capehart?

Senator Capehart. Mr. Chairman, I agree 100 percent with every word that has been said here today. I am a great admirer of Senator Green's, and when the time is right in this committee today, I will be very happy to make or vote for a motion through which we decline his resignation.

Senator Johnson. Senator Mansfield?

NEWSPAPERS CREATE A SITUATION

Senator Mansfield. I am disturbed at the crudeness of the newspaper which published that editorial yesterday.

About 2 months ago, if I recall correctly, a reporter from that newspaper called me and asked if I had heard any rumors about Senator Green resigning his position as chairman of this committee. I said no, I had heard of none, and that to the best of my knowledge there were none. I said that "If you want to, you can quote me as saying that if he attempted to resign, I would oppose such a move because, in my opinion—and I am sure I speak for the whole committee—Senator Green has done a good job. He has been fair, courteous, and understanding, and as many members have pointed out, he has attended to his duties with meticulous care."

It is a sad day when a newspaper can create a situation of this kind, and I am fearful of what the affect on the public would be if the chairman goes through with his intention.

I close by saying only this: I hope, Mr. Chairman, you will again reconsider your letter of resignation as chairman of this committee.

COMMITTEE ACTIVITY

Senator Humphrey. I think it would be well to enter into the record some of the information that just came in response to a request of some of us—I think it is on your desk—as to information on resolutions and action on committee bills of the past several Congresses. It is an amazing record.

The Chairman. I don't know fully what it is.

Senator Humphrey. I move that be placed in the record.

Senator Johnson. Without objection that should be placed in the record.

Senator Mansfield. In detail.

Senator Humphrey. Yes.

[The information on committee activity follows:]

COMPARATIVE ANALYSIS OF COMMITTEE ACTIVITY, 81ST THROUGH 85TH CONGRESS

	Measures considered by committee	*Bills and joint resolutions enacted*	*Senate resolutions and concurrent resolutions enacted*	*Treaties ratified*	*Nominations approved*	*Meetings* (not including subcommittees)
81st Congress	N/A	36	7	25	1, 049	175
82d Congress	N/A	13	11	39	1, 059	251
83d Congress	68	20	17	29	973	286
84th Congress	118	*46	31	32	2, 215	190
85th Congress	101	*45	30	17	2, 906	266

*Figures include bills and joint resolutions whose provisions were included in other legislation.

Senator Green's service on the committee:
Member: November 30, 1937 to January 6, 1947 (Size of committee reduced from 23 to 13 under Legislative Reorganization Act of 1946)
January 10, 1949, to date
Chairman: January 8, 1957 (Resignation tendered January 30, 1959)

Senator JOHNSON. Senator Kennedy?

NOT ACCEPT THE RESIGNATION

Senator KENNEDY. Mr. Chairman, I wonder if the chairman would consider it in order, when the time comes for the appropriate resolution, that it be in the form that we do not accept his resignation, and that in the spring, if he still feels his health demands it, he can make his judgment then. But the sequence of events has been so close that I think it would be unfair to him and to the Senate, and the newspaper should not have the satisfaction of thinking that they moved him from the committee or the Senate.

I wonder if it would be possible for an appropriate member to move that we not accept it. Then in the spring, if he chooses to do so of his own volition, after examining his health, perhaps the committee can accept it. I would think, however, that we should not accept it now.

Senator JOHNSON, I think it would be appropriate to make any motion you want to. We are here to hear of any possible action.

Senator Long, do you have a suggestion?

Senator LONG. It all comes as a great surprise to me, Mr. Chairman.

PACE OF THE COMMITTEE

When I first came here I was serving on the Government Operations Committee, as Senator Humphrey knows, and at that time, I was told by Senator Arthur Vandenberg to ask for the Foreign Relations Committee. Arthur Vandenberg explained at that time that he was former chairman of this committee. He said that one major committee was about all one man could preside over and really do a good job of it, and that the hours this committee has been in session are absolutely fantastic. I believe this committee has spent more hours in session than the Senate itself during the years I have been on it. Our chairman has stayed through every single session. I know that many times during the last year other members would find out what they wanted to know and have to make an appointment or a telephone call and he would continue to sit and look after the business of the committee. Senator Green would stay to the end. If it was 10 o'clock, he would still be here asking questions. If a Senator went out for a while and then come back, he would find the chairman still here. The chairman would call the committee to order when Senators came back from the floor after voting, perhaps at 4 o'clock, and start over again.

Frankly, it is difficult to attend all the committee meetings, especially when you are also on other committees where you have responsibilities.

I think we owe the chairman a tremendous debt of gratitude, and I concur with what has been said so far.

Senator JOHNSON. Senator Church?

REQUEST THAT THE CHAIRMAN RECONSIDER

Senator CHURCH. I should like to say that Senator Green and I have had something in common since I first came to the Senate 2 years ago: He has had the most birthdays, I have had the fewest.

It is an awesome thing to come to the United States Senate when you are a young man. I am only 2 years older, and I feel a good deal older than that; but in 2 years there has been no one in the Senate whose friendship has meant as much to me as has Theodore Green's, and no one has been more gracious or more generous or more kindly toward me.

I always wanted to serve on the Foreign Relations Committee, and when I received my appointment this year, one of the reasons that I was so appreciative of it was the chance to serve under Theodore Green. So I do hope that the chairman will find it possible to reconsider his decision.

Senator LANGER. Mr. Chairman, to bring this to a head I move we decline the resignation of Senator Green.

Senator AIKEN. Mr. Chairman?

Senator JOHNSON. Mr. Aiken?

Senator AIKEN. I would like to move the committee request that the chairman reconsider his decision.

Senator JOHNSON. Is that agreeable to Senator Langer?

Senator AIKEN. I make that as a motion.

Senator JOHNSON. The two of you have the same idea in your motion. Will you offer that again?

Senator AIKEN. Yes.

Senator JOHNSON. You have heard the motion offered by Senator Langer and Senator Aiken that the chairman reconsider his decision.

Senator FULBRIGHT. I second that.

Senator JOHNSON. It has been seconded by Senator Fulbright.

Is there any further discussion?

[No response.]

Senator JOHNSON. All those in favor of that motion raise your right hand.

[There was a show of hands.]

Senator JOHNSON. The committee has voted unanimously to ask the chairman to reconsider his decision.

You are recognized, Mr. Chairman.

BEST INTEREST OF THE COUNTRY

The CHAIRMAN. I find it very hard to express my appreciation for all the kind words which have been spoken by my colleagues around the table.

Nothing could have been a greater reward for the time and work and thought that I have put into this job. It is my principal activity, and has been in the last 4 years, and one which I entered into with heart and soul.

We have sometimes—the different individuals here and I—disagreed, but I do not think the motives of anyone have ever been questioned in connection with such disagreements.

I am not offering my resignation because I am sick of the job or tired of the job in the ordinary sense of those words. I am offering it because what is done is done for the best interest of my country and the Congress, the Senate of the United States and this committee.

I have given study and time in excess of what I should have given in consideration of my other duties, and perhaps my own health. I have been working here not only all the usual hours of the week, but the whole of every Saturday and at least half of every Sunday. I do not think there have been more than one or two exceptions to that, but I have other reasons for giving it up.

POLITICAL CAREER

I am in general good health, but I want to stay well. I think that is natural; I want to stay in full strength. I have other duties to perform, none as important as this, but that is the main thing that has affected my action. There have been newspaper criticisms. Well, I have had newspaper criticisms ever since I was in public life, or for 25 years trying to get into public life, because in Rhode Island, which was a most rabid Republican State at one time—above Pennsylvania and all of the rest—it was quite a job and I made up my mind when I was quite young that I would turn it over from a Republican to a Democratic State. For 25 years I ran for office and was counted out several times in that time. [Laughter.]

Several times I was counted in, and then they counted out, and reversed me on the count. It even went to the District Court, and the Supreme Court there, and they were successful twice during that time when I was declared elected, and then counted out when it was discovered that perhaps 2,000 more votes had been overlooked, or something like that.

Anyway, I finally became Governor and turned over the whole government of the State. This was not only the legislative body and all the departments of the government, but the courts, even the Supreme

Court. We started fresh, and I did it so well that it has lasted, and Rhode Island has remained a Democratic State most of the time since—all of the time in principle and most of the time in persons. We elected a Republican the last time for the Governor, but the whole Democratic ticket was elected otherwise, and the candidate for Governor would have been, had it not been for his peculiar record, which I won't go into.

Nevertheless, what I am saying is that I came on here to Washington having had a little experience in politics and was glad to be here where it was relatively quiet. Of course there were some small contests here of various kinds, not only between the parties, but within the parties.

I HAVE GIVEN MY BEST

I have given my best here. It may not have been very good but it was my best, and I have been very appreciative of the consideration I have had on the part of my colleagues, the respect they have shown to my views, and their expressed willingness to share in the responsibilities in time of decision and all the work connected with reaching that decision; but there are limits to what one can do and keep doing.

I am glad to say that I have tried to remain well. I have tried to keep in condition by walking to the Capitol every morning, but frankly I don't know whether I can continue. I doubt it very much.

I am 91 years old. I do not feel that, but the record shows it, and I cannot expect to go on indefinitely. I might say I set my goal for 100; I have said so humorously several times at home when they suggested sending somebody here in my place, but haven't got very far. I really have given serious consideration to being chairman of this committee, which is a big job. I don't think anyone here could appreciate just how much detail there is to the job. Sometimes you have to fight just for the privilege of fighting, going through with it, and finally we get to a decision such as the one whereby the committee will stay in this room and in the next room, when they wanted us to move to the new building. It takes a lot of time to go back and forth between the Senate Chamber and here when there is a vote on a big question, and I fought to stay here. We are going to stay here as far as I am concerned, and I think of my successor as possibly benefiting from that.

I have found the members of the committee a fine group to work with. I have enjoyed the companionship and the work. It is important. I know I have been subjected to a lot of criticism, but that was bound to come, and couldn't be helped. I am criticized one time because I am too polite to the executive department or the President or the State Department, and on the other hand I am criticized if I am not polite enough to them. And so it goes with others, as you all know. You have been subjected to the same thing to a greater or lesser degree perhaps, and I don't mind the criticism. I am glad to have it.

Perhaps I can improve myself and on some occasions have improved because of the criticism. But it takes you down to a certain extent; the doctors will tell you that.

I don't suppose I am as well as I used to be. I know that once in a while a word fails me in speaking. I know sometimes I don't hear as well as I used to. Perhaps whoever I am talking with thinks that I do, but I do not. Those are handicaps, but everyone has handicaps so I am willing to overlook them.

HEALTH CONCERNS

It should not go on this way. I don't suppose there is any chance of improving, and while my general health is very good—I don't ask for that to be improved—I am speaking of my faculties. I have had a very serious operation on one eye, and a minor operation on the other, and I was given glasses which I was supposed to adapt myself to. I have had no time to do that as yet, because I have to work every day, so I have had to use the old glasses and am not used to the new ones. I have been told it would take a week or two to break them in, but I haven't had that time to break them in.

It is many different things like that that have brought this decision about.

When I was a boy, I was too sick to go to school two winters, and so the teachers came to the house. I gradually got better and finally when I got to college, I was able to get through all right, even athletically. I have managed to keep myself in condition ever since. I have enjoyed life and my contacts here. This is a good climax to my life in the Senate.

I have made good friends and interesting connections, and so I don't think I deserve any sympathy, but there are a certain number of hours of work that have to be done to keep these positions.

You kindly let me off the Space Committee, but I now am on some other committees, and this is more important than all the rest of them put together.

A VERY EXACTING JOB

I can swing the rest. I can do the ordinary work of an ordinary Senator, but this is a very exacting job. You have to keep in touch with the members of your committee. Some of them have criticized attitudes as "too polite" or "not polite enough" to perhaps the President, or "too nice" to the Secretary of State or "not nice enough" to the Secretary of State; or they criticize you if you are for this or against it. I don't mind that as much as most chairmen would, except this chairman [indicating Senator Johnson], because he is very sensitive.

However, all of this does not sum up the point. The work has to be done with the consent of the committee, so you have to win and keep the approval of the committee. There is criticism for attacking the President, as I have done once or twice. There is criticism for not attacking him, or for being too nice to him. If I write a friendly letter calling him by his first name, or if he writes me a friendly letter calling me by my first name, that is almost as bad as if somebody wrote a letter bitterly attacking me, or as if I had done something wrong.

The same thing applies with the Secretary of State. If I try to keep the connection personal, I will be criticized as being either too close or not close enough to him. We have to work together with the executive branch, I have been told by some. It is very true, but then they say we must not let them dominate us. That is also very true. But whether either one applies is a matter of opinion.

Those are irritations. I am not talking about that. I am talking about the regular hard work and hours of freedom, and I think that while I may not already have begun to feel it, I will shortly begin to feel the lack of Saturdays and half-Sundays off from work. I like the work.

It is interesting, but it prevents my doing other things that I would like to do. I am afraid the work must suffer if my health does not hold out.

You don't command the confidence of your colleagues, even if they think you have a bad headache or are not alert to every proposition that has been made. You have to choose among three or four different alternatives in the interests of the country and the world.

TAKE AN INTEREST IN THE WORLD

The job of this committee is to take an interest in the world, and the chairman of this committee has to take an interest not only in the committee but in the world itself. I have tried to do that, and I have been in those countries. Last year I went to Paris and presided at a NATO meeting there. And after a week, I planned to go to the Near East again and get caught up with our relations with the Near East, which have not been very satisfactory, in the sense of getting the information we should have. I have done that at various times. I know people there, and am in position to benefit from a trip there and to learn.

However, I found that I had to have an eye operation and I said, "If I have to get home and get over that operation in time for the opening of Congress, I will," and I did.

I went to the hospital in Philadelphia and was back on the job when the Congress opened; but I didn't have any vacation, unless you call a stay in the hospital a vacation. I haven't had a vacation for a couple of years, and my health is valuable to me as a Senator; and by "as a Senator," I mean as distinguished from the chairmanship of this committee, because this committee has as much work as all the other committees put together. That is the reason I offered my resignation.

REACHED MY LIMIT OF TIME AND WORK

It was not because I felt there was a dissatisfaction on the part of the committee with my work—I have had many expressions of approval, sympathy, offers of help and that sort of thing. But I know by long experience that a chairman has to do most of it himself. Sometimes I have come here and sat all afternoon on Saturday and Sundays, and I have thought of the other things that I have given up in order to do it. When I have found the results meager, by examination of the facts and papers in the case, I have wondered whether I was satisfied. I feel I have helped the country in every way I can.

At the time of the Spanish-American War, I was willing to lay down my life for my country, and I still am; but I do not want to do it if it is unnecessary.

I have reached about my limit of time and the amount of work I can do in a given week without intermission, interruption, or vacations, and that has made me tender my resignation.

Of course, it is not up to this committee. This man [Senator Johnson] has a good deal to say about it, and it depends on what pressure is put on him.

I'm afraid I have bored you with my recital of this intimate story, but I was deeply touched by all the remarks made around the table, and so I felt the only way to reply was to open my mouth and tell you what my feelings were.

I know that sometimes in discussions around the table, I have not heard as well as I should because I have had to wear this hearing aid.

That does not affect my general health, but it affects the work in this sense: I don't like to be talking across the table and find that I have been misunderstood; or that I have misunderstood the members. That is a fact.

I have put my facts on the table as to how I reached my conclusions.

I am deeply grateful for all that has been said around this table today. Anyone would be. It is a great satisfaction. I have been in the Senate 22 years, and it has been my principal life's work; before that, it was reorganizing the State of Rhode Island. Besides that, there have been a lot of things like organizing and operating plants and mills, and all the work which a busy lawyer has to do and the many other problems.

I'm not going to begin all over again on that.

I thank you gentlemen from my heart for your expressions of confidence and friendship, but I certainly cannot take any action reversing my letter.

MEMBERS VOTED TO DEFER ACTION

Senator JOHNSON. The members of the committee have said what I said, only more eloquently than I, and they have repeated what I said yesterday afternoon—more touchingly, I think.

They voted unanimously to ask you to continue.

The CHAIRMAN. Who did?

Senator JOHNSON. This committee.

The CHAIRMAN. I didn't know that they had.

Senator JOHNSON. Just a few minutes ago. They now ask unanimously for you to reconsider.

The CHAIRMAN. Is that what you were doing?

Senator JOHNSON. You remember what I told you.

The CHAIRMAN. I certainly would not be brash enough to turn it down if it were put to the meeting here. I appreciate it highly, and I know I ought to give it serious consideration. It didn't occur to me that it would be this way; I had hoped and rather expected they would accept my resignation, however they do it with regret.

Senator AIKEN. Mr. Chairman?

Senator JOHNSON. Senator Aiken?

Senator AIKEN. I think truthfully that the members of this committee have been very considerate of the chairman in the past and we are asking for a little reciprocity now in asking him to defer the action which he has contemplated taking until such time as it has been proven to the rest of us that he is unable to carry on. I am sure that if any one of us undertook to follow you from Sunday noon through the week, we would all be laid out flat by Thursday night, because I don't know of anyone else who would undertake to do the amount of work you have done. If you think you should resign, it seems to me——

The CHAIRMAN. I asked Mr. Marcy this morning to get some figures together to show the number of meetings we have had, the number of hours that fall in the various categories of work of this committee.

Senator JOHNSON. He has done that and it is in the record now.

The CHAIRMAN. It is?

Senator JOHNSON. Yes. I put it in awhile ago; Senator Humphrey offered it.

The CHAIRMAN. I haven't seen it yet.

Senator HUMPHREY. We have a summary of all of the work.

The CHAIRMAN. I was taking a chance when I asked for that, because I didn't know what the figures would show.

Senator HUMPHREY. They are very good.

Senator AIKEN. If the chairman feels that he cannot rescind his action, I hope he will defer it for as long as he feels able to carry on. Certainly he has proven his ability to carry on in every way during this session.

RESPECT THE CHAIRMAN'S WISHES

Senator LANGER. Mr. Chairman, I believe we ought to respect Senator Green's wishes. He knows what he wants to do. If he feels he does not want to do a single thing that is going to shorten his life, I like him for it. And if he wants to resign because it might affect his health otherwise, I am perfectly willing to do anything necessary to relieve him of any of his duties that he figures make it too hard for him to carry on.

Senator JOHNSON. If it is agreeable, the chairman suggests that we take a recess and defer action for a moment. And if you want to go on and talk, we will defer action on it.

The CHAIRMAN. Will you excuse me?

Senator MANSFIELD. Mr. Chairman, for the record, may I state that Senator Gore had to leave to make a plane connection, and that Senator Long had to leave to preside at an important meeting. But they both wanted to be recorded as being in accord with the rest of the committee on any action taken.

Senator JOHNSON. Gentlemen, if you will close that door, I think I ought to say this to the committee——

[There was extended discussion off the record.]

Senator JOHNSON. All right, gentlemen.

Senator JOHNSON. Well, Senator Green, you know how you feel now. You know how this committee feels, and I think I can say that every Member of the Senate feels that this is a decision which you alone must make.

STICK TO THE DECISION

The CHAIRMAN. I am deeply touched by it all, but I still feel that it is my duty to my country, to the committee, and to myself, to stick by my decision.

The committee will go on. I will be glad to help in every possible way in which I may be called on from time to time because, as you know, it is very near my heart.

I do not think that, in the long run, I can do as good work as I have in the past. I would rather not spoil that record, and in the interest of the country I don't think I should be allowed to. I thought it over very carefully before I reached the decision, and I am not willing to undo that in a short couple of hours.

The opinions expressed here by all the members have moved me greatly. I have had greater cooperation than I anticipated, but I think that it would be better for the committee and its work if it had someone else as chairman.

I am willing to work with the committee as a member, but not to take the responsibility as chairman. So I must regretfully stick by my original proposal.

Senator JOHNSON. Is there any suggestion by any of the Senators?

Senator AIKEN. Mr. Chairman?

Senator JOHNSON. Senator Aiken?

Senator AIKEN. I think this committee should draw up some articles of appreciation for the work of the chairman. I would not urge him any further. You cannot push him anyway.

Senator JOHNSON. Then I have a statement here. It was suggested that Senator Green ought to make his letter public. I think he is a great patriot, and every editor in this country should have the opportunity to say what a great man he is. Perhaps the committee will want to embrace this statement.

The CHAIRMAN. I don't think that ought to be discussed in my presence do you? I might be embarrassed.

Senator JOHNSON. Senator Mansfield?

Senator MANSFIELD. Read the statement.

Senator JOHNSON.

> In the whole history of the Senate there have been few careers as distinguished as that of Senator Green. He has served our country with distinction and with great honor. He has presented to the world a picture of America embodied in a cultured and highly civilized gentleman who is deeply wedded to the traditions of freedom and democracy. His love of his country is so great that he has decided to resign the Chairmanship of the Foreign Relations Committee, an action which I personally advised him against.

You can say that the committee agreed to that.

> The Senate will still have his services. His alert mind and his vast experience in the field of foreign relations will still be available. And I think he knows that every one of his colleagues regards him with deep affection and with great respect.

Senator HUMPHREY. You could issue that statement and say the committee approved it.

Senator HICKENLOOPER. Mr. Chairman?

Senator JOHNSON. Yes.

Senator HICKENLOOPER. I think that you ought to go further, and say that the entire committee unanimously urged him for an hour and a half——

Senator JOHNSON. We are going into all of that, but this is a statement here——

Senator MANSFIELD. May I make a suggestion, that somebody ought to say that the State of Rhode Island and the United States of America should indeed be proud of this statement.

Senator JOHNSON. Without objection that will be added.

Is there objection to that?

Senator HUMPHREY. The only sentence about where his resignation——

Senator JOHNSON. I'm going to give him the letter.

Senator SPARKMAN. It seems to me we ought to express some concern over the condition which he feels requires his resignation, and indicate that it is our earnest hope that his health will improve when he shifts these burdens.

Senator MORSE. The letter speaks for itself, gentlemen. We want to make clear to the people of Rhode Island that there still is great service for him to perform.

Senator JOHNSON. Is there objection to adding the sentence that Senator Mansfield suggested?

Senator LAUSCHE. I have one thought: to me, the nobility of his character and the firmness with which he approaches problems have been made monumental in his refusal after all of us begged him to stay on, and by his decision to stand by his judgment.

Senator FULBRIGHT. Mr. Chairman, I understand this, but in the statement to the press you will advise exactly what the committee action has been.

Senator JOHNSON. We will do that, and if there is no objection we can take Senator Morse's motion that we embrace this as a committee and that the committee fully approved of it, and then release the letter.

[Thereupon, at 12:25 p.m., the committee adjourned.]

MINUTES

FRIDAY, JANUARY 30, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON DISARMAMENT OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met in executive session in room F–82, Capitol, at 10:15 a.m.

Present: Chairman Humphrey and Senator Gore.

Witnesses: William C. Foster, Chairman and Senior U.S. Expert on Nuclear Disarmament, and Admiral Arleigh A. Burke, Chief of Naval Operations, USN.

[Following the testimony offered by Mr. Foster, the subcommittee recessed at 1:20 p.m. until 2:30 p.m., the same day.]

AFTERNOON SESSION

The subcommittee reconvened at 2:45 p.m., Senator Humphrey chairman. Senator Long was also present.

For record of the proceedings, see the official transcript and published text.

[After the presentation made by Admiral Burke the subcommittee recessed at 5:15 p.m.]

MINUTES

MONDAY, FEBRUARY 2, 1959

United States Senate,
Subcommittee on Disarmament of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 10:05 a.m. in executive session in room F–53.

Present: Chairman Humphrey, Senators Long, Wiley, Hickenlooper, and Langer.

Also present: Senator Wayne Morse, Senator Frank Lausche, Senator George D. Aiken, and Senator Frank Carlson from the committee.

Witnesses: General Maxwell D. Taylor, Chief of Staff, U.S. Army, and General Thomas D. White, Chief of Staff, U.S. Air Force.

[Following their testimony, the subcommittee recessed until 2 p.m. at 12:55 p.m.]

Afternoon Session

The subcommittee reconvened at 2:10 p.m. in room F–53, Capitol, in executive session.

Present: Chairman Humphrey and Senator Wiley.

Also present: Senator Frank Carlson.

Witnesses: Dr. Hans Bethe, member, President's Science Advisory Committee and professor of physics at Cornell University, and Livingston Merchant, Assistant Secretary of State for European Affairs, Department of State.

For record of proceedings, see the official transcript and published text.

[Following their presentation, the subcommittee recessed at 4:15 p.m.]

MINUTES

THURSDAY, FEBRUARY 5, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON DISARMAMENT OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee entered an executive session at 3:05 p.m. in room F-53, Capitol.

Present: Chairman Humphrey, Senators Lausche, Church, and Carlson.

Ambassador Lodge, United States Representative to the United Nations, resumed his testimony.

For record of the proceedings, see the official transcript and published text.

[At his conclusion, the subcommittee recessed at 3:50 p.m.]

MINUTES

TUESDAY, FEBRUARY 10, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session in room F–53, Capitol, at 12:10 p.m. following a recess.

Present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Lausche, Wiley, Hickenlooper, and Carlson.

The nominations of Philip B. Bonsal, to be Ambassador to Cuba, Sheldon T. Mills, to be Ambassador to Jordan, William C. Trimble, to be Ambassador to Cambodia, Philip K. Crowe, to be Ambassador to the Union of South Africa, and Raymond A. Hare, to serve as Ambassador to the UAR and Yemen, were ordered reported favorably by unanimous voice vote.

On suggestion of Senator Mansfield, it was concurred in that the committee hear all Ambassadorial appointments and others where it was decided that their presentations would have informational value to the committee, and in public session.

The committee ordered the cleared testimony given by Secretary Dulles, Secretary McElroy, Gerald Twining, Under Secretary Dillon, and Allen Dulles on review of foreign policy be printed. By later action it was decided not to ask for clearance from Mr. Allen Dulles.

The committee passed over consideration of S.J. Res. 8, authorizing the invitation of foreign countries to particiapte in the World Congress of Flight at Las Vegas, Nev., April 12 through April 19.

For record of the proceedings see the official transcript.

[The meeting adjourned at 12:30 p.m.]

MINUTES

MONDAY, FEBRUARY 16, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON AMERICAN REPUBLIC AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS
Washington, D.C.

The subcommittee met in executive session at 10:15 a.m. in the committee room, F-53, Capitol.

Present: Chairman Morse, Senators Sparkman, Kennedy, Hickenlooper, and Aiken.

For record of the proceedings, see the official transcript.

[After the subcommittee had discussed contracts for its Latin American study, and tentative plans for the future, it adjourned at 11:55 a.m.]

THE SITUATION IN EUROPE AND THE MIDDLE EAST

[EDITOR'S NOTE.—On November 27, 1958, the Soviet Union generated a new Berlin crisis by demanding an end to the occupation of Berlin, which should become a "free city." If the Western Allies did not agree to these terms within six months, then the Soviet Union threatened to sign a separate peace treaty with East Germany and end its own occupation of East Berlin. In February 1959 Secretary Dulles made his last foreign tour to assure U.S. allies that the administration would not yield to Soviet threats. On February 16 the United States, Britain and France proposed a joint foreign ministers meeting with the Soviet Union, which eventually convened at Geneva on May 11.]

TUESDAY, FEBRUARY 17, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to adjournment, at 10:35 a.m., in the committee room, U.S. Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Mansfield, Morse, Long, Gore, Lausche, Church, Hickenlooper, Langer, and Aiken.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

[The committee first adopted a resolution commending Senator Green for his service to the committee, and designating him as Chairman Emeritus.

It then adopted a letter to be sent to Secretary John Foster Dulles, expressing hope for his early recovery.

The committee approved for report the nominations of Franklin D. Murphy to be a member of the U.S. Advisory Commission on Educational Exchange, and Mason Sears and Benjamin Gerig to be Alternate Representatives of the United States to the 13th Session of the General Assembly of the U.N.

After considering an informal invitation to visit Indonesia, the committee concluded that such invitation not be accepted during the session of Congress, but that a suitable date be worked out for such in the fall.

The committee also considered an invitation to meet with the Council of Europe, and concluded to accept conditionally with details to be worked out as to the time, but not during the session of Congress.

Senator Aiken submitted an oral report on the progress made by the Subcommittee on Canadian Affairs toward a meeting of Members of Congress with Members of the Canadian Parliament in June. Following his report, Senator Aiken moved, seconded by Senator Hickenlooper, that the committee send a delegation to such meeting.

Whereupon, the committee recessed briefly at 11 a.m. before hearing Livingston Merchant, Assistant Secretary of State for European Affairs, and William Rountree, Assistant Secretary of State for Near Eastern and South Asian Affairs.]

The CHAIRMAN. We will now hear from Mr. Merchant, Assistant Secretary for European Affairs.

Are you ready to proceed to brief us on Europe?

STATEMENT OF LIVINGSTON T. MERCHANT, ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS, DEPARTMENT OF STATE

Mr. MERCHANT. I thought I might start with a brief resume of the Secretary's trip to London, Paris, and Bonn, from which he returned a week ago last Tuesday.

I think the Secretary was entirely satisfied with the results of the trip. He had extended and good talks in London with Mr. Macmillan, and Mr. Lloyd.[1] He also saw General Norstad for an hour or two in London.

In Paris we saw Couve de Murville, the new Prime Minister, Debré,[2] and had an hour and a half with General de Gaulle. The Secretary also had a long talk with Mr. Spaak, the Secretary General of NATO.

Then we moved on to Bonn, and had long talks with Chancellor Adenaeur, Dr. Von Brentano, the Foreign Minister, and a few of the Chancellor's key advisers on foreign affairs.[3]

The major purpose that the Secretary hoped to achieve was to assure that the thinking of our three principal allies with respect to both the Berlin crisis and the preparations for possible conference with the Soviets were moving along identical or parallel lines.

RESPONSE TO THE SOVIETS

There was considerable discussion in all three capitals of the general content of the note to the Soviets which was delivered yesterday, and with which the committee is of course familiar. In the note, a conference at the Foreign Minister level was proposed for this spring on the broad subject of all aspects of the German situation.

There were also agreements reached on the procedural basis for preparing in concert for such a possible conference.

It is obvious the Soviets may not accept a conference, or they may embark on a prolonged negotiation as to its composition, its location, its agenda, or they may conceivably insist or attempt to insist on a summit conference.

A working group of representatives of this Government, the British, the French, and the Germans have been meeting here in Washington primarily on the preparation of a concerted reply to the Soviet note of January 10, and also toward the latter part of its sitting on a general and informal exploration of substance and basic negotiating position. That working group is now adjourned, but it was agreed that it would meet in Paris, reassemble in Paris during the first week of March and continue its labors there, dealing with the question of the preparation of a common policy to go into conference with the Soviets, if we have one.

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[1] British Prime Minister Harold Macmillan and Secretary of State for Foreign Affairs Selwyn Lloyd.

[2] French Foreign Minister Maurice Couve de Murville and Prime Minister Michel Debré.

[3] German Chancellor Konrad Adenaeur and Foreign Minister Heinrich von Brentano.

NATO FOREIGN MINISTERS

The Foreign Ministers of NATO will meet in Washington on April 2 for the 10th anniversary of the signing of the treaty, and that will provide an opportunity for the four Western Foreign Ministers to review the work of the working group up to that point, and to arrange their report to the NATO Council as a whole.

It was also agreed that if the need arose, the four Western Foreign Ministers might meet around the middle of March, which would have been convenient for the individual schedules. That, of course, is uncertain now, and in fact it may not be necessary if the progress is satisfactory in the working group.

As I believe you know, the most convenient time to set a conference with the Soviets would be about the 10th of May.

The French originally wanted to defer any conference with the Soviets until after May 27, which is the date on which the Soviets have stated they would turn over their responsibilities for the occupation to the GDR.

Agreement was finally reached that no date would be suggested, but any time in late April or early May would be satisfactory to our side.

THE QUESTION OF BERLIN

In addition to those procedural arrangements, the Secretary discussed in all three capitals the question of Berlin and the threatened turning over of responsibilities to the GDR. He found equal firmness, I would say, in all three capitals and on the position adopted in December in Paris, that we would maintain our rights to remain in Berlin, and our rights of unhampered passage to and from, and that we would not accept the substitution of the GDR for the Soviet Union insofar as its obligations to us are concerned.

In the event that the Soviets proceed with what they said they were going to do, of course the method, the places and the form in which interference with passage might take place are numerous.

Being agreed in principle, the details of planning for such possible harassment or obstruction will, I think, be carried forward in Bonn and Berlin by the people on the ground, with a referendum in the capitals to make sure all contingencies are in fact foreseen and prepared against.

The Secretary feels very strongly that if the Soviets are convinced of the firmness of the allied position to maintain its rights and position in Berlin, and access thereto, then there will not be a physical challenge on the part of the Soviets or the GDR to the exercise of those rights.

REEXAMINE NEGOTIATING POSITIONS

There was some preliminary discussion by the Secretary with the governmental leaders he talked with as to the foundation of the position that we would enter into any negotiations with the Soviets.

We found a willingness in every capital, and of course that includes Washington, to reexamine with an open mind the positions the West has held in the past, most recently at the two Geneva Conferences in 1955. Whereas there is general agreement that the essentials of that complex package proposal which was put forward at Geneva should remain our basic position, there is general belief that much can be done in the way of preparation, embellishment and modification of details and its general form. This is being worked on in each capital, and early next month the Four Power Working Committee will directly address itself to this subject.

There are certain basic elements on which we can't be flexible without either jeopardizing or impairing the defensive posture of the United States and NATO, or attempting to impose on our allies—particularly the Germans, who have so much at stake in a negotiation with the Soviets—positions which are unacceptable.

I have no doubt that we will be able to work out a position agreed to by our allies, and one of the last stages of preparation will be to secure the general agreement of NATO to the proposed position. But I have no doubt that we will be able to arrive at an agreed position which will take into account our basic interests, and yet possibly will be more persuasive publicly than the proposals presented 3 or 4 years ago.

I would just say one other thing: I have never seen the Secretary so persuasive, forceful and effective, and one would have to know him extremely well to have detected in his manner or his performance even the slightest discomfort. He came back very happy with the results of the trip, which had been timely and constructive.

The CHAIRMAN. Thank you, Mr. Merchant.

EAST GERMANS ARE INVITED

I would like to ask one or two questions. In this proposed meeting will the East Germans be welcome or not, and as observers or members? What is their status?

Mr. MERCHANT. The terms of the note, sir, as you recall, were that the Germans would be invited and consulted.

Senator HICKENLOOPER. Which Germans?

The CHAIRMAN. East Germans?

Mr. MERCHANT. Both would be. And the plan of course is that each side would make their own arrangements for the consultation and the presence of the Germans. It was not and is not expected to be a six-power conference.

The CHAIRMAN. Does that mean that while we will not agree to substitute the East Germans for the Russians, and let the Russians free them from their obligations, we might be willing to accept them as agents acting in the name of the Russians? Is that implicit in that statement?

Mr. MERCHANT. I don't think, Mr. Chairman, it is really implicit in that. On the basis of the East German and Soviet official and public statements, the so-called agency theory has been destroyed in that the Soviets say they are just handing over the powers and responsibilities.

It would seem to me that if the Soviets were in fact prepared to treat and acknowledge the GDR as its agent and retain the ultimate responsibility for their performance under their commitment to us, that would be a relationship which could be considered. But so far it apparently hasn't been in the mind of either the East Germans or the Soviets.

The CHAIRMAN. Would that be a matter for negotiation at their conference?

Mr. MERCHANT. That would be a matter as the Soviet position was unfolded.

The CHAIRMAN. Any questions?

Senator GREEN. I have no questions.

The CHAIRMAN. Senator Aiken?

HIGH REGARD FOR MR. MERCHANT

Senator AIKEN. Mr. Chairman, I forgot something when I made my report on Canadian Affairs. One reason why our arrangements with the Canadians have moved so smoothly from the very beginning up to the present is due to the high regard in which they held our U.S. Ambassador to Ottawa. Mr. Merchant made a great contribution whereever great contributions were needed, and I feel rather confident in Western European affairs since he has been put in command of that area.

The CHAIRMAN. And you are saying we expect him to do likewise with the Russians.

Senator AIKEN. That is right. If all of Europe, East and West, and both Germanys hold him in the same esteem that the Canadians did, our job would be made very easy.

The CHAIRMAN. I hope you take note of that, Mr. Merchant.

Mr. MERCHANT. I am not sure that I like to have the Soviets hold me in affectionate regard.

Senator AIKEN. You know what I mean.

The CHAIRMAN. Senator Hickenlooper, do you have any questions?

Senator HICKENLOOPER. Yes.

WE ARE AN OCCUPYING POWER

In connection with the participation of the East Germans, I would like to explore that for a moment. I understood you to say that it is not contemplated that they will participate as members.

Will they be there as observers? What will be their status as compared to the West Germans?

As I understand it, Russia has recognized the sovereignty of West Germany; is that true?

Mr. MERCHANT. Yes; that is correct, sir.

Senator HICKENLOOPER. Is it also true that from a technical standpoint we are still an occupying power of East Germany?

Mr. MERCHANT. That is correct, sir.

Senator HICKENLOOPER. Impractical, perhaps, from a practical standpoint. Nevertheless, on paper we are still an occupying power, and the East Germans are still under the pains and penalty of occupation by the other three powers—Britain, France and the United States.

Will the West Germans participate in this as members?

Mr. MERCHANT. What is contemplated, Senator, on our part is that a representative or represenatives of the Federal Republic, the West Germans, might well sit in the room in the role of advisers. They would not sit at the table.

Senator HICKENLOOPER. Let's get down to this point: This is a conference of the occupying powers, is that correct?

Mr. MERCHANT. Yes, Senator.

Senator HICKENLOOPER. This is a conference of the four powers who undertook the occupation and administration of Germany at the close of the war and still have whatever obligations and responsibilities flowed from those agreements and subsequent agreements?

Mr. MERCHANT. Yes.

Senator HICKENLOOPER. So West Germany will be an observer, and East Germany will be an observer; is that substantially correct?

Mr. MERCHANT. Yes; that probably would be a fair way to describe it.

PARTICIPATION OF EAST AND WEST GERMANY

Senator HICKENLOOPER. Would these representatives be invited to address the conference in behalf of their particular views, or would their views be expressed by, let's say, Russia on the part of East Germans, and one of the three other powers on the part of West Germany?

Mr. MERCHANT. We really haven't gotten that far, sir, and I think this would be a matter for decision and dealing with at the conference.

I remember that at the Berlin Conference in 1954—it wasn't an analogous situation—but when the Austrian Treaty came up for discussion, the Austrian representatives of the Austrian Government were invited into the room to state their case.

I would not visualize as formal an acknowledgment of the presence of the East Germans, nor I imagine would the Russians likewise accord the same position to the West Germans.

If I might make one point, sir, probably the most correct statement of our occupying status is that the four powers are still legally occupying powers of Berlin. When we restored sovereignty to the Federal Republic in the spring of 1955, as you will recall, we and the British and the French reserved certain responsibilities, namely, those relating to the unification of Germany, and with respect to Berlin.

Senator HICKENLOOPER. Yes, we reserved those; but—and I am talking not about the actual situation but the paper situation represented by these treaties—did we at that time recognize any overriding authority of Russia other than the original occupying agreements for convenience or whatever other spurious reason existed other than the convenience of dividing it into zones?

ZONES OF OCCUPATION

Theoretically—or perhaps actually, if you take the papers involved—we have certain fundamental rights in occupying the French Zone and the British Zone, and vice versa, except that for purposes of administration West Germany was divided into three zones of occupation until we got into the recognition of the sovereignty of West Germany, and East Germany was just another zone under those agreements, the same as the American Zone in West Germany, the French Zone and the British Zone.

For administrative purposes, the Russians were allocated by these agreements that section which is now called East Germany.

We have given up our occupation status in West Germany as have France and England. But have we given up from a technical standpoint our occupation status in East Germany?

Mr. MERCHANT. No; I don't think we have, sir. Certainly I know of no legal acquiescence.

Senator HICKENLOOPER. And when we got into the agreements with West Germany, the three powers in West Berlin specifically retained the occupation status in West Germany, and as I understand it, at that time Russia also retained occupation status in East Berlin which was a convenient division of the city, and also in East Germany.

Mr. MERCHANT. They claim to have given that up.

Senator HICKENLOOPER. Now?

Mr. MERCHANT. No; at the time the GDR came into existence. They alleged that they did very much what we did with the Federal Republic; namely, they dismantled the occupation status except in the Russian sector of Berlin but reserved powers comparable to the ones we reserved.

Senator HICKENLOOPER. But the difference is that they implemented our agreements, in effect, by recognizing the sovereignty of West Germany and accepting an Ambassador there.

Mr. MERCHANT. Yes; I think you can say that.

Senator HICKENLOOPER. And we, the other three powers, did not recognized any changed status in East Germany.

Mr. MERCHANT. I think that is the legal position over there.

Senator HICKENLOOPER. What are we going to talk about in the broad concept of this thing?

You say there will be a discussion about agenda, no doubt, and how long that will go no one knows. Has the note been sent?

Mr. MERCHANT. Yes, sir; it was delivered yesterday, and published yesterday noon.

Senator HICKENLOOPER. I think that is all.

TALKS BETWEEN EAST AND WEST GERMANY

The CHAIRMAN. Senator Mansfield, have you any questions?

Senator MANSFIELD. Mr. Secretary, has the West German Government been carrying on any talks and/or negotiations with the East German Government?

Mr. MERCHANT. Well, they have been conducting for several years talks at what they call the technical level, which I think is probably a correct description.

Senator MANSFIELD. Based on interzonal agreements?

Mr. MERCHANT. Yes; such as their trade agreement, railroad interchange, telegraphs, and so forth.

Senator MANSFIELD. Has there been talk and negotiation going on at a technical level?

Mr. MERCHANT. At a technical level, yes, sir.

Senator MANSFIELD. Has the same thing been occurring in Berlin between the West Berlin Government and the East Berlin Government?

Mr. MERCHANT. I wanted to check on that after reading your speech, sir, and I haven't gotten the word on that. I believe there has been similar talk and negotiation at the technical level.

Senator MANSFIELD. Who runs the subways which pass through all Berlin?

Mr. MERCHANT. I suppose they are in effect run jointly by the two sectors.

Senator MANSFIELD. No; they are run by the Eastern sector, and there is an agreement entered into between the West Berlin Government and the East Berlin Government which I understand has been in effect for some years. So these subways, which are under the direct control of East Berlin, travel throughout West Berlin on the basis of talks and negotiations between the two entities. Is that correct?

Mr. MERCHANT. I believe it is. I know in the past when there have been difficulties, the occupying powers, through their representatives, have at times intervened.

Senator MANSFIELD. In addition to that, there are other municipal services which have been functioning through mutual agreement between the two parts of this divided city.

ACCESS ROUTES TO BERLIN

You mentioned the fact that on the basis of the recent note sent to the Soviet Union, it has been agreed by the Western Allies that East and West Germans will be allowed to attend as observers.

Mr. MERCHANT. We haven't actually defined the position, but as I said to Senator Hickenlooper, that is a fair description of the capacity in which we contemplate their attendance.

Senator MANSFIELD. Would you say also that they would be considered as advisors?

Mr. MERCHANT. I would think so.

Senator MANSFIELD. Yes.

Now, insofar as the Western position is concerned, is there no doubt whatsoever that we intend to maintain all the access routes to Berlin?

Mr. MERCHANT. Yes.

Senator MANSFIELD. And is there no doubt whatsoever that as far as we are concerned, regardless of what the Soviet Union does, we are going to stand firm in Berlin unless an agreement to which we agree is forthcoming?

Mr. MERCHANT. No doubt about that, Senator.

Senator MANSFIELD. Fine.

SOVIET OCCUPATION OF EAST BERLIN

Is it true that the only place in the world where we are in effect asking the Soviet Union to maintain itself is in the eastern sector of the city of Berlin? In other words, this is one place we are not asking them to get out because if we did, we would be fearful that we would have to recognize the Eastern Communist Republic, or the GDR, as I think you called it; is that correct?

Mr. Merchant. I wouldn't say, sir, that we are asking the Soviets to remain in the occupying role in East Berlin. We are holding them accountable if they divest themselves of those occupational responsibilities, and obviously we can't prevent them from doing so. I think it would be unwise to appear to be in the position of persuading them to retain that role; we are asking them to ensure that the rights of access and rights of presence in Berlin, which rest on undertakings in which they participated, are not interfered with.

If they walk away from Berlin and turn everything over, as they say they will, to the GDR, and the GDR does not in any way obstruct or interfere with the exercise of our rights in and access to and from Berlin, no difficulty would arise that I see.

Senator MANSFIELD. But can you reasonably assume the GDR will act in that manner?

Mr. MERCHANT. I think it is unlikely, insofar as harassment is concerned.

Senator **Mansfield**. Is it true that the Soviet Union has already begun to withdraw its troops and military dependent personnel from the area they have been occupying in East Berlin?

Mr. **Merchant**. Yes; we have had a number of intelligence reports of some reduction in staff and planning for withdrawal.

POSSIBLE CONFLICT OVER BERLIN ACCESS

Senator **Mansfield**. If the Soviet Union keeps its word and withdraws all its military personnel and their dependents from East Berlin by May 27, that would mean that in the western sector three allies would remain, as they should. But does it raise the possibility of a possible conflict between the Western Allies and the East Germans, say, on maintaining our rights to get into Berlin?

Mr. **Merchant**. With the people in East Berlin?

Senator **Mansfield**. With the government.

Senator **Gore**. Would you ask that question again?

Senator **Mansfield**. If the Soviet Union withdraws its troops and dependent personnel by the May 27 deadline set by Mr. Khrushchev, have you considered the possibility that we may come in conflict on maintaining our rights to access to Berlin with the East German Government or the people representing them?

Mr. **Merchant**. Yes; I think we have to consider that possibility, Senator.

As I understand it, on actual deployment, the Soviet forces in East Berlin are not significant. They are deployed outside the city borders for the most part. Most of the Soviets remaining in East Berlin are those on military liaison missions, technical missions, and their dependents.

Senator **Mansfield**. Are they the ones with whom we carry on intercourse?

Mr. **Merchant**. That is right, sir.

Senator **Mansfield**. And if we did come in conflict with the East Germans, what do you think would be the effect on the Germans in the two Germanys? What I am trying to say is this: Do you think if such an event occurred, that perhaps blood might prove to be thicker than ideologies, as far as we are concerned in our relations with the German people as a whole?

Suppose we had to kill a few East Germans to maintain our rights to access to Berlin, and I think we have those rights and should maintain them, what would be the effect on all Germans in both East and West Germany, or as some of the Germans say, in West Germany and Central Germany which, I think, is a very significant designation, because it looks forward to a third Germany now held by the Poles.

Mr. **Merchant**. This is a hard question to answer, of course, sir. But, based on the firmness of the Government of the Federal Republic in supporting our attitude on maintaining our rights by all appropriate means, I feel that the backing, understanding and support of the Federal Republic for our maintenance of those rights, taking into account the risks which it involves, would be sound and solid.

Senator **Mansfield**. I would agree as far as the Federal Republic is concerned. I am wondering what the reaction would be among the Germans as a people. That is why I used the term "blood might be thicker than ideologies.'

I will not pursue that question.

COMMENDATION OF SECRETARY DULLES

I want to join with you, Mr. Secretary, in what you have had to say about Mr. Dulles, and the great success he achieved on his last trip under almost unendurable circumstances.

I want also to express the hope that even though Mr. Dulles is in the hospital,[4] it might be possible to divert the conference that is supposed to be held next month, and even the Foreign Ministers' Conference at which the Soviet Union, and the East and West Germans as well, would be in attendance. I hope that those two conferences can be held here in Washington so that we can make the fullest use of Mr. Dulles' capacity and abilities. I do not go on the theory that any man is indispensable, but I think in the Berlin and the German situation at this particular time he is indispensable, and we ought to make whatever use we can of him despite the fact that he is undergoing great difficuties.

One way to do that would be to get those conferences here where we can use him to the utmost.

That is all I have, Mr. Chairman.

Senator **Hickenlooper**. Will the Senator yield?

Senator **Mansfield**. Yes.

ATTITUDE OF WEST BERLIN

Senator **Hickenlooper**. With respect to the attitude of the West Germans, I happened to be in Berlin the last 2 or 3 days of November when the tension was at its height, and of course the West Berliners were extremely frightened and worried about this situation.

The interesting thing was the universal attitude of the West German newspapers. I had no opportunity to talk to a lot of West German individuals, but the West German newspapers were unanimous in their support of the position that the allied powers—especially the United States—should not indicate they were weakening their position in West Berlin, and that whatever was necessary to protect that position should be done.

When I say universal, I mean that I did not get to see all the newspapers in West Berlin, but I saw clippings from the representative newspapers from all over West Germany. It seemed that there was a complete solidarity on their part that speaks to the point of whether or not blood is thicker than water, that the West Germans would say, "We can't do anything to hurt the East Germans or the East Berliners."

It seemed that the universal comment of these newspapers was that we should do anything that is necessary to preserve that status.

Senator **Mansfield**. I recall the Senator, after he made that trip to Geneva and Berlin, making that identical statement at that time. I am sure it typifies our position, too. But at the same time we ought to consider all the possibilities inherent in what I think is probably the most dangerous situation this country and the free world have faced in years.

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[4] On February 9, Secretary Dulles requested a leave of absence in order to undergo hernia surgery. After the operation, doctors annnounced that they had discovered a recurrence of cancer in the 71-year-old Dulles. He resigned as Secretary of State on April 15, and died on May 24.

That is all, Mr. Chairman.

Senator HICKENLOOPER. I was not contradicting anything——

Senator MANSFIELD. I know you weren't.

Senator HICKENLOOPER [continuing]. But merely giving testimony.

The CHAIRMAN. Senator Langer?

RIGHT TO OCCUPY EAST GERMANY

Senator LANGER. Mr. Chairman, I am slightly confused by Mr. Merchant's answer to Senator Hickenlooper's question.

You say that on paper we are occupying East Germany.

Senator HICKENLOOPER. We have the right to.

Mr. MERCHANT. I didn't say we were occupying it, sir.

Senator LANGER. You say that on paper we have the right to occupy.

Mr. MERCHANT. I believe that technically, that is correct, sir. We, as one of the co-victors, divided for administrative convenience the territory of conquered Germany into zones, each of the four assuming the administration of one zone.

East Germany was the zone allocated to the Soviets for occupation and administration.

Senator LANGER. Where did we surrender our right to East Germany's occupation?

Mr. MERCHANT. This, sir, I would like to confirm after getting legal counsel. I don't think we have ever acquiesced, legally, in the reunification of any rights in East Germany which we acquired as a result of our particiaption in the victory.

Senator LAUSCHE. Would Senator Langer yield for just one contribution?

Senator LANGER. Certainly.

ESTABLISHMENT OF GERMAN ZONES

Senator LAUSCHE. Was there not, sometime in 1945, an intense argument among the four powers when Russia insisted that all of the Allied troops get out of East Germany before she would do anything pursuant to the setting up of the zones? They said, "We will not cooperate, we will not do anything until all of your troops get out of East Germany," and that was the first indication of a recalcitrance on the part of the Soviet.

Do you recall that, Mr. Merchant?

Mr. MERCHANT. I do. Not of my own knowledge, but I do recall that, Senator.

The zones and the division of the sectors of the city of Berlin were based on an agreement reached in the first instance in the European Advisory Commission in 1944, signed in London; of course when the surrender came the Western Allies and the Soviets didn't correspond with the lines drawn on a map for occupation. The day the last shot was fired, we occupied hundreds of miles of territory which were within the Soviet zone as drawn on the map. We were of course planning to withdraw, and we did, but my recollection is that until the withdrawal actually took place, the Soviets were showing activities of obstruction.

Senator Lausche. Did our troops or those of any of the three other big powers ever stay within East Germany after 1945?

Mr. Merchant. No. They were withdrawn promptly from East Germany.

Senator Lausche. At that time?

Mr. Merchant. From the Soviet zone.

Senator Langer. No more questions. I was very interested in that. It looks to me as though we have gotten the worst of every deal we have had with Russia.

No more questions, Mr. Chairman.

The Chairman. Senator Morse.

ROLE OF POLAND

Senator Morse. I have two matters, Mr. Secretary:

I want to join with Senator Aiken in thanking you and other people from the State Department for your cooperation extended to us for our meeting with the Canadians. Your liaison there was exemplary.

Mr. Merchant. Thank you.

Senator Morse. I think one of the most significant comments made here this morning was by Senator Mansfield when he pointed out that already in West Germany there is a tendency to talk about Central Germany, and to think of territory taken over by Poland as the real East Germany.

Is it contemplated that any delegates from Poland will sit in as observers or advisers at this conference?

Mr. Merchant. No, Senator, it is not contemplated. It is conceivable though, as I said earlier, that the Soviets may raise questions of additional representation, largely on grounds of their effort to achieve parity in all conferences.

Senator Morse. I do not have any official information, but you can't escape concern about the attitude of Poland, and I think it spells trouble in a settlement of the East German issue.

I know that the State Department has given great heed to it, but I ask that we keep our eyes on Poland.

LEADERSHIP OF PRIME MINISTER MACMILLAN

The second matter I raise is with respect to Senator Mansfield's suggestion about the conference being held here in Washington. I think it is important for several reasons, one of which is still very nebulous; certainly it is minor at the present time. I am surprised at the reactions my office has already received—an almost unobserved comment which has been in the newspaper for the last 2 or 3 days, that it is expected that Mr. Macmillan will proceed to be the leader in connection with these conferences.

I just point out that I don't speak for Great Britain, but I think you will be surprised at the reaction at the grassroots of America. If that point begins to snowball, you are going to put the State Department and the Congress in a very difficult position if the idea gets abroad that anybody else would be speaking for the United States.

I think some of the phrasing of the newspaper stories is most unfortunate. But if there was ever a time, we ought to make clear at the conferences that the United States will speak for itself. The leadership, Mr. Macmillan, is speaking only for Great Britain. I thought it ought to be raised here this morning because I don't come from a State that is anti-British, but I have already heard from my State of what has happened.

Are we going to let Great Britain speak for us at this conference?

Mr. MERCHANT. I agree, Senator. I can't imagine anything that would be more damaging to our relations with Great Britain than to have this idea get abroad and momented as it might be from abroad.

Senator MORSE. You are familiar with the stories that have been about?

Mr. MERCHANT. Yes, sir.

DISCUSSIONS WITH THE MAYOR OF BERLIN

The CHAIRMAN. Senator Green wanted to ask a question.

Senator GREEN. Were these questions which you have been discussing taken up with the Burgomeister of Berlin when he was here?[5]

Mr. MERCHANT. Not in as much detail, sir, as the discussions that the Secretary held in the three capitals in Europe. But this whole range of problems was discussed with Mayor Brandt.

Senator GREEN. Were you in agreement with him?

Mr. MERCHANT. Yes, sir. He is a very stout fellow.

Senator GREEN. That is all.

The CHAIRMAN. Senator Aiken?

Senator AIKEN. No.

The CHAIRMAN. Senator Long, any questions?

Senator LONG. No questions.

The CHAIRMAN. Senator Gore?

MACMILLAN VISIT TO MOSCOW

Senator GORE. Mr. Secretary, the very situation to which Senator Morse referred is catapulted by Mr. Macmillan's coming visit to Moscow.

I notice that in the press releases the statement was made that the Government of the United States was informed as to the coming visit. I did not notice any statement that the U.S. Government had approved the visit of Mr. Macmillan to Moscow, and I surely trust that we did not give any approval.

In my humble opinion, I hold it a grave mistake for Mr. Macmillan, whose government is soon to face the electorate, to make the trip to Moscow immediately prior to this conference, and I hope our Government did not give its approval.

Mr. MERCHANT. No, sir. Could I put this off the record?

The CHAIRMAN. Yes; put this off the record.

[Discussion off the record.]

Senator GORE. Did we in any way directly or indirectly undertake to discourage the visit, or did we have prior notice of it?

Mr. MERCHANT. We had prior notice of it, and I think it is fair to say that the Prime Minister was aware of our lack of enthusiasm.

The CHAIRMAN. Are you through, Senator Lausche?

CHANGE IN SOVIET POLICY

Senator LAUSCHE. Yes. You can give this on the record. What is Adenauer's interpretation of the proposal of the Soviets to withdraw out of Berlin on May 27? Does he ascribe it to a change in their ultimate purpose, or does he construe it to be a tactical operation with some plan for the future?

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[5] West Berlin Mayor Willy Brandt.

Mr. MERCHANT. He certainly does not attribute it to a change in the basic policy of the Soviet Union.

Senator LAUSCHE. Is the basic policy to move onward in an economic war and in an ideological war to communize the world?

Mr. MERCHANT. And to hold on to what they have.

Senator LAUSCHE. All right.

Now, then, that is eliminated. What does he interpret it to be?

Mr. MERCHANT. This is my own impression emerging from discussions, rather than my recollection of any specific answer on that point. I think he would attribute it primarily to a desire to improve the internal and external prestige of the GDR, both to prop internally a regime which is unpopular, and externally to increase recognition of the GDR as a government with a view to still further solidifying the line of division through Germany. I think that would be his interpretation.

Senator LAUSCHE. My understanding is that feeling conditions are not good, the Soviets believe that by pulling out they may be able to put on a better front to their own people and to the people of the world about East Germany.

If there is the intense feeling within East Berlin you have described, in the event of something untoward happening, wouldn't the East Germans, in their conflict with ideology, be more likely to jump with the West than with the Soviets?

Mr. MERCHANT. Certainly that, sir, would be a desire and the sympathy of the overwhelming body of East Germans. However, I don't think we should underestimate the ability of the Soviets to control by force the expression of that attitude in any seriously troublesome way.

Senator LAUSCHE. Now one further question:

WEST BERLIN AS A SHOWCASE OF CAPITALISM

Is there unanimity of opinion among our three main allies concerning the purpose and intent of the Soviets in pulling out? Or if there is a difference of opinion, what is that difference?

Mr. MERCHANT. No; I think we are all agreed on that estimate of the purpose.

Senator LAUSCHE. Then is it correct to say they are in agreement on the proposition that East Berlin is so weak that the Soviet Union has determined that something must be done to strengthen it in the eyes of the people of the world and the East Berliners themselves, and therefore they chose this means we are now discussing?

Mr. MERCHANT. Yes; I would agree with that, sir, although I would not want to give the impression that the Soviets are acting from weakness in this matter. The very existence of West Berlin, with its vitality and prosperity, is a showcase example of what capitalism and the institution of freedom can achieve a hundred miles deep. I think that is galling to the Russians, and even more galling and weakening to the East German Government.

Senator LAUSCHE. Do they want to eliminate West Germany with all of these inviting economic advantages?

Mr. Merchant. There is no doubt in my mind that the Soviet desire and purpose in this move is to drive us out of Berlin so as to enable East Germany sooner or later in one bite or two to absorb——

Senator Lausche. You said that earlier. Th[illegible] is the thing I had in mind. Their purpose then is to drive us out of West Berlin?

Mr. Merchant. Oh, surely, Senator.

Senator Lausche. That is all.

The Chairman. Senator Church?

RIGHT OF ACCESS THROUGH BERLIN AUTOBAHN

Senator Church. Mr. Chairman, we are keeping the Secretary from lunch. So my questions will be brief, Mr. Secretary, but this is an opportunity for me to get some instructions on certain fundamentals. So if I may pursue two or three questions.

I was in Berlin in 1954, following the airlift, and at that time Western contact with Berlin was being supplied in two ways, by air and through the corridor from West Germany. I assume that our continuing contact with Berlin is being supplied by air and through the corridor.

At the present time, who maintains that right of access, particularly through the corridor? Is that being maintained by the Russians?

Mr. Merchant. On the corridor, the Autobahn?

Senator Church. On the Autobahn.

Mr. Merchant. As you emerge from West Berlin, there are two checkpoints only a short distance apart, one with U.S. personnel and one with Soviet personnel. Then there is a checkpoint at the exit when you come to the border of the Federal Republic.

The road maintenance, for example, is being done by the GDR; East German authorities run the railroad.

If I can make one point, sir, neither we nor the French nor the British are dependent to any degree at all for supply on airlift. For personal transportation, yes. The bulk of our supply for the forces goes over the railroad; the bulk of the British supply goes over the Autobahn, and of course most of the movement of goods between East Germany and West Germany is over the canals and railroad system.

EAST GERMAN PARTICIPATION NOT RECOGNIZED

Senator Hickenlooper. Would the Senator yield for a question?

I understood you to say, Mr. Secretary, that the highway and the railroad are maintained by the East Germans.

Mr. Merchant. Yes.

Senator Hickenlooper. That is a fact and not a legal situation. When we have any disputes on the highway, the railroad, or anyplace else, we refuse to deal with any so-called East German authorities. We insist on Russians officials conducting these negotiations. So at least in theory, while the East Germans are actually doing the physical labor in most cases, we refuse to recognize any authority or any sovereignty on their part. We insist on any transactions or decisions or determinations being with the Russian authorities as Russian.

CONTROL OF CHECKPOINTS

Senator Church. I understand that. What I want to get at are the basic facts that we are dealing with. As I understand the Secretary's answer to my question, the control points on the Autobahn are located in East Germany, but are actually maintained by American and Soviet personnel at two points, one at the western extremity of the corridor and the other at the eastern extremity of the corridor.

Mr. MERCHANT. Senator, as I understand it, the checkpoints which we maintain are in each case just inside the Western sector of Berlin, or just inside the territory of the Federal Republic. But they are a short distance apart.

Senator CHURCH. All right. Fine.

The checkpoints that the Soviets maintain are just inside East Germany in either case, am I correct?

Mr. MERCHANT. Right.

Senator CHURCH. All right.

As I understand the announcement which has been made by Russia, they propose in May to withdraw their forces from East Berlin and turn over the control of the city entirely to the East German Government.

Have they said expressly that this withdrawal also will affect the maintenance of the corridor that we have been discussing? If not, does the State Department feel in its knowledge of the general situation that the withdrawal will also entail the withdrawal of Soviet policing of the corridor and turning that, too, over to the East Germans?

Mr. MERCHANT. If the Soviets carry out what they said they would, that is what we anticipate. And they have further said, of course, that it would then be up to us to negotiate our own arrangements with the GDR for passage over their territory.

Senator CHURCH. Isn't that right?

Mr. MERCHANT. I don't think so, Senator.

Senator GORE. Isn't it a correct statement?

Senator CHURCH. Isn't it a correct statement? I don't mean is it right morally or legally, but I want to get at the basic facts.

Mr. MERCHANT. Yes.

CONTINUE TO HOLD SOVIETS RESPONSIBLE

Senator CHURCH. Let's assume that we do not make any progress. You indicated in your statement that our basic position as it is either to be presented with regard to these general matters is not changing, and that the Secretary's recent visit to Europe has not resulted in any basic change in position.

And let's assume that in our negotiations with Russia we come to no agreement at all that we find acceptable, and then Russia does what it says it is going to do and withdraws from East Berlin and the corridor and turns these checkpoints over to the East Germans.

Aren't we then forced to deal with them if we are to continue to have the use of the Autobahn, the corridor, whether we like to deal with them or not?

What physically do we do as we undertake to maintain our rights of access to Berlin?

Mr. MERCHANT. It is possible that when the day comes, the Soviets will turn over their responsibilities to the GDR, and they would not interfere in any way with the exercise of our rights of movement.

Senator CHURCH. But you have said that you would regard that as unreasonable to assume, and I do, too.

Mr. **Merchant**. Yes; I think it more likely that they will gradually interfere and harass the exercise of our right.

The Berlin blockade of 1948, as I recall, started by their saying in effect that there was a breakdown and the land routes were blocked along the way. Our recourse under such circumstances would be to the Soviets and not to the GDR. Whatever they say, we will continue to hold them responsible for the maintenance of our rights.

NEGOTIATING FROM WEAKNESS

Senator **Church**. Well, it seems to me—and I am not going to belabor this point because the committee has been kept long—that as we deal with the basic hard facts of this situation, we are dealing from a position that will rapidly become untenable and are thus negotiating from a position of weakness rather than strength. If the Russians do what they say they are going to do, I can't see how we can possibly avoid such extended contact with the East Germans. We would be forced to recognize their existence and to deal with them, and I am wondering what American interest is served by a refusal to recognize this possibility and to think in terms of it as we approach the bargaining table with the Russians in our attempt to resolve this dilemma.

Mr. **Merchant**. If we mean what we say, and we do intend to uphold our rights, I don't think we are negotiating from a position of weakness. It seems to me totally unacceptable that one should convert the vanquished, the East Germans, into victors with right to control our movements in a position which we gained by right of the victory in the war. If the Soviets are convinced of our willingness to maintain those rights, I think the chances of their challenging it by force are small.

We may run into harassments; there is no doubt about that in my mind.

Senator **Long**. Mr. Chairman, might I ask a question?

The **Chairman**. Are you through, Senator Church?

Senator **Church**. I am through. I am not going to ask further questions, but I would appreciate, Mr. Secretary, your being good enough to have the Department of State send me a summary statement of all the reasons it is felt to be in the American interest to continue to pursue a policy of nonrecognition of the East German regime. I would like to see all the reasoning behind this as it relates to the American interest.

Mr. **Merchant**. We would be delighted to, Senator.

The **Chairman**. Senator Long?

FREE CITY PROPOSAL

Senator **Long**. Mr. Secretary, we are not trying to maintain an inflexible position on the Berlin situation, if I understand your answers today.

Have you considered some alternate proposals, perhaps some solutions to this Berlin question other than the status quo?

Mr. **Merchant**. Yes, sir; I would say we have let our imaginations really run riot on every conceivable suggestion and idea. I am frank to say though, sir, I don't see any acceptable alternative to our retaining our forces in West Berlin in the foreseeable future, except successful negotiation of the reunification of Germany, with Berlin becoming the capital of a united Germany.

Senator LONG. One thought occurs to me; we could perhaps accept this free city proposal providing that West Berlin were given or permitted to have its own police force at substantial strength. This force would have modern military weapons, plus physical possession of that railroad and that Autobahn, with the right of anybody to build an overpass or underpass subject to such regulations as they would impose for restriction of passage during the time they were lifting a girder into an overpass structure.

I wondered if you had considered such a proposal as that, which might give us an answer to the problem until the day when we could hope to achieve free elections.

As a matter of fact, I think this answer should be off the record.

Mr. MERCHANT. Yes; if we could.

The CHAIRMAN. Off the record.

[Discussion off the record.]

Senator LONG. Just one other thought:

RELIABILITY OF EAST GERMAN TROOPS

The question has been raised as to a situation which would exist if we had to fight the East Germans. I have no idea as to what the fighting qualities of that unit would be. I would assume that if the Soviets were going to maneuver us into a position of fighting the East Germans, they would pick those divisions that they believed qualitatively or the most loyal to the Communist ideology. They would not send a division that wasn't their most elite and dependable, if they could avoid it.

Do you have any idea as to whether they have any of those divisions that are reliable that they can count on to fight for the Communist ideology or for the East German Government?

Mr. MERCHANT. I don't have, sir, any specific knowledge as to the relative reliability of the different units in the East German Army. It is our assumption that there is a very real question as to the reliability of any of them. But the Russians, as you know, have been very outspoken that the GDR is a member of the Warsaw Pact, and that if its borders are infringed, the Soviet Union will be there as its ally.

Senator LONG. To me, the most difficult situation they could place us in would be to get a really good, reliable German division; for example, if you were trying to fight your way through an area held by this country I would like to put in your path either the 1st Marines or the 82d Airborne. And if I were they, I would try to place in that corridor about the best armored division, and the most reliable and one that they didn't think you could defeat, and let you try to fight your way through and put you in a situation where you were fighting Germans and still couldn't get through; then let you elect whether you want to use atomic weapons under those conditions.

I just wondered whether it would be to our advantage to try to fight through with our troops, or to assign that point to a West German division if they wanted to try it.

Mr. MERCHANT. Well, Senator, when one gets to the concept of fighting in divisional units, one is really, it seems to me, in major hostilities.

Senator LONG. That is what you are hoping to avoid.

Mr. **Merchant.** Yes.

Senator **Long.** But they are in a position to face us with those kinds of decisions, aren't they, if they want to close off access?

Mr. **Merchant.** That is right.

Senator **Lausche.** What is the nationality composition of those 20 divisions of the Soviet Union that you mentioned being there?

Mr. **Merchant.** In terms of Soviets, what parts of the Soviet Union do they come from?

Senator **Lausche.** Yes.

Mr. **Merchant.** I don't know specifically. I know they are crack troops, all of them. Those are elite divisions.

Senator **Long.** Do you have any estimate as to the reliability of those East German divisions to fight for the Communist cause or the East German Government?

Mr. **Merchant.** Nothing more than a question mark, Senator.

Senator **Long.** That is all I have. Thank you.

ALL-GERMAN ELECTIONS

Senator **Mansfield.** Mr. Chairman, could I ask a question?

The **Chairman.** Yes; certainly, but we do have another witness.

Senator **Mansfield.** This will be very brief.

The question is this, Mr. Secretary: Do you think it is practical to look forward to all German elections in the immediate future?

Mr. **Merchant.** In the immediate future? You mean in the next 6 months, a year, or something like that?

Senator **Mansfield.** The next 2, 3, 4 or 5 years.

Mr. **Merchant.** No, sir; I don't.

Senator **Mansfield.** I don't like to mention this, but I would express the hope that the Department understands fully the spirit in which that speech I made on Berlin, Germany, last Thursday was delivered. It was to be constructive and helpful, and if in the field of maneuverability you need a whipping boy, you can use any of the things I said there to bolster your hand.

Thank you, Mr. Chairman.

Mr. **Merchant.** No, sir; we are studying that speech. We accept it as a thoughtful and constructive contribution.

Senator **Mansfield.** Thank you.

The **Chairman.** Thank you very much, Mr. Secretary. It has been very interesting and enlightening.

Mr. **Merchant.** Thank you, Mr. Chairman.

The **Chairman.** We would like to spend a few moments now with Mr. Rountree. I believe he has a message to give the committee.

Is that correct, Mr. Rountree? Won't you take this seat?

STATEMENT OF WILLIAM ROUNTREE, ASSISTANT SECRETARY FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Senator **Long.** Mr. Chairman, before we get to that, the committee has been enlarged to the point that those of us who sit on that end have to look through two or three other Senators in order to see the witness, and I would like to suggest the possibility of the chairman getting a different design of table to better suit the needs of this enlarged committee.

[Discussion off the record.]

The CHAIRMAN. Mr. Rountree, I believe you have some information you would like to impart to the committee.

BILATERAL AGREEMENTS

Mr. ROUNTREE. Mr. Chairman, I have no formal statement, but you will recall, sir, that shortly after the London meeting of the Baghdad Pact Council last July, I appeared before the committee to explain the background of the declaration which was issued by the four members of the Baghdad Pact who met in London, and the United States.

In that declaration we indicated our willingness to undertake the same obligations as the members of the Baghdad Pact undertook among themselves in article I of the Baghdad Pact Treaty, which essentially stated that the signatories would cooperate for security and defense and that such means as are agreed upon may be the subject of special agreements to give effect to that undertaking.

The committee was interested at that time in the kind of bilateral agreements which might be negotiated in accordance with the London declaration, and explained the background of this. We have recently reported to the committee that following a number of months of discussion with the Governments of Pakistan, Iran, and Turkey, we have just about arrived at a final draft of an agreement which, in all probability, will be ready for signature within the next several days.

Last week we transmitted to the committee a copy of the draft of that agreement, and I am, of course, at the disposal of the committee in answering any questions that you may have in connection with it.

PURSUANT TO EISENHOWER DOCTRINE

The CHAIRMAN. Is it correct to say that these agreements are simply in pursuance of the so-called Eisenhower doctrine and reduce to individual agreements the principles enumerated in that doctrine?[6]

Mr. ROUNTREE. Certainly the agreements are pursuant to the so-called Eisenhower doctrine. They do not undertake any new commitments with the countries that are concerned. They do serve to consolidate a number of understandings that we have with the countries, such as reference to cooperation in matters of military and economic assistance, which are the subjects of other far more detailed agreements with each of the countries with which we are now negotiating this bilateral agreement.

The CHAIRMAN. Any questions, Senator Green, you would like to ask?

Senator GREEN. No, thank you.

The CHAIRMAN. Senator Hickenlooper?

Senator HICKENLOOPER. Yes.

AGREEMENT AT TIME OF ACTION

Article II and article I state that the Government of the U.S.A.—this is in article I—"subject to the Constitution of the U.S.A. will take such appropriate action including the use of armed forces as is mutually agreed upon and as is envisaged in the joint resolution to promote the peace and stability of the Middle East."

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[6] Congress passed H.J. Res. 117, the "Eisenhower doctrine" in March 1957, authorizing the President to "undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence." See volume IX (1957) of this series for background information.

Article II reaffirms that the United States will continue to furnish the Government of blank country such military and economic assistance as may be mutually agreed upon between the Government of the U.S.A. and the Government of blank, and so on.

Are those mutual agreements to be entered into at the time of an attack, or—article I refers to aggression—in case of aggression against so-and-so?

Do we agree prior to the aggression as to what we will do?

Mr. ROUNTREE. No, sir.

Senator HICKENLOOPER. Or is the agreement referred to in article I to be entered into at the time of the aggression, or after?

Mr. ROUNTREE. We certainly do not envisage an agreement which would require automatic implementation of any undertaking prior to aggression, Senator.

What we are in effect saying is that the action we take will be action which both of us agree should be taken, but the agreement would be entered into at the time the action is taken.

Senator HICKENLOOPER. In other words, we would retain our freedom of decision; that is, we would have the right to veto any proposal. The other country could not command us under an agreement——

Mr. ROUNTREE. That is right.

Senator HICKENLOOPER [continuing]. To perform certain specific acts of military conduct at the time of the aggression.

Mr. ROUNTREE. That is correct. We feel we must maintain, of course, that ability of freedom of action.

Senator HICKENLOOPER. Thank you. That is all.

The CHAIRMAN. Senator Lausche, do you want to ask a question?

Senator MANSFIELD. Mr. Chairman, I want to get out of here.

The CHAIRMAN. I forgot about you. I thought you had left.

EXECUTIVE AGREEMENTS

Senator MANSFIELD. Is this an executive agreement?

Mr. ROUNTREE. Yes, sir.

Senator MANSFIELD. What do you mean by the joint resolution to promote peace and stability in the Middle East?

Mr. ROUNTREE. That is the so-called Eisenhower doctrine Middle East resolution.

Senator MANSFIELD. How do you base an executive agreement on that?

Mr. ROUNTREE. What we are saying, sir, is that there now exists in the executive branch authority for the undertakings which are incorporated in this agreement. The Middle East resolution is one of the pieces of legislation which has given us authority with respect to our policies in the Middle East.

Senator MANSFIELD. Mr. Secretary, have these executive agreements been entered into?

Mr. ROUNTREE. No, sir; they have not.

Senator MANSFIELD. Don't you think that they would be far more responsible if they were presented to the Senate in the form of a treaty? After all, these executive agreements make it mandatory that, under certain circumstances, we go to the aid of any of these particular countries if they call on us.

Mr. ROUNTREE. I don't believe that that is the purpose of this agreement, Senator. Such mandatory action on our part will not be required.

The concept of this agreement has from the very outset been that it will be an executive agreement in accordance with the existing legislative authority, and not an agreement which would require us to seek new legislative authority.

MANSFIELD-HUMPHREY AMENDMENT

Senator MANSFIELD. Is there any idea that this authority in this agreement is based on the so-called Mansfield-Humphrey amendment?[7]

Mr. ROUNTREE. Sir, the so-called Mansfield-Humphrey amendment is, so far as we are concerned, an important part of the Middle East resolution, but there is no intention or purpose to predicate this on that particular amendment.

Senator MANSFIELD. Was there no consideration given in any shape, manner, or form to the use of that amendment in the recent meeting with the members of the Baghdad Pact?

Mr. ROUNTREE. No, sir. The Mansfield-Humphrey amendment was not the subject of discussion, to my knowledge, with the members of the Baghdad Pact. I think I can confirm that.

Senator MANSFIELD. It was not leaned on in any way, shape or form?

Mr. ROUNTREE. No, sir.

Senator MANSFIELD. It was not used as a crutch?

Mr. ROUNTREE. No, sir; in no way.

May I say this, that the only reference to the Mansfield-Humphrey amendment that I have——

Senator MANSFIELD. I used the name Mansfield advisedly, because my amendment was defeated in the committee, but the Humphrey amendment covering the same thing was passed in the Senate.

Mr. ROUNTREE. Yes. The only reference to this in relation to the bilateral agreements which I heard at all recently was a reference by a news reporter who came to us with a story he had heard that we were predicating these agreements upon the so-called Mansfield amendment. We denied that to him, and I took the liberty of calling on one of your associates to explain the background of this.

Senator MANSFIELD. Yes; I recall that.

The CHAIRMAN. Would the Senator yield?

I wish the Secretary would put in the record, so that those who are not as well informed about this as the Senator, just what the Mansfield amendment is, so that this will all tie in.

Mr. ROUNTREE. The so-called Mansfield-Humphrey amendment, as I understand it, is this statement:

> Furthermore, the United States regards as vital to the national interests and world peace the preservation of the independence and integrity of the nations in the Middle East.

Senator MANSFIELD. Yes.

Mr. ROUNTREE. This is a statement, sir, of the attitude of the Congress, which we certainly agree with. We also believe in the extreme importance of the independence and the integrity of the nations of the Middle East, and many of our policies are designed to support the independence and integrity of the countries of the Middle East.

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[7] See volume IX of the "Historical Series," pages 363–404.

This particular agreement was not, Senator, based on or justified by that particular provision of the law.

Senator MANSFIELD. You will find, if my memory serves me correctly, that most of the language was taken from the original Eisenhower resolution.

AGREEMENTS UNDER NEGOTIATION

When do you expect to sign these executive agreements?

Mr. ROUNTREE. They are under negotiation at the present time. The wording is substantially accepted by all the other countries.

Senator MANSFIELD. It will not happen in the next week or so?

Mr. ROUNTREE. Yes; it might be within the next few days.

Senator MANSFIELD. With the chairman's permission, I would like to make my position clear.

I would like to direct some inquiries to you in writing, Mr. Secretary, about this particular matter, and I hope that in your replies you will be not only explicit but detailed in your answers[8]

Mr. ROUNTREE. I would be glad to.

Senator MANSFIELD. That is all, Mr. Chairman.

INTEREST OF ARAB STATES

Senator AIKEN. Mr. Secretary, have the other Arab States—Syria, Iraq, and so forth—indicated an interest in this particular proposed agreement, or do they feel that it is no concern of theirs?

Mr. ROUNTREE. There has been virtually no interest expressed in Syria and the United Arab Republic, to my knowledge, except vague references in the paper.

There has been considerable interest not by the Iraqi Government, but by the Communist press in Iraq, and by the Soviet and international Communist press everywhere.

Senator AIKEN. I realize that.

Mr. ROUNTREE. The governments have not.

Senator AIKEN. But would you say that Egypt or Syria or Lebanon, or any of those Arab States, would feel that this would be adverse to their interests or directed at them in any way, inasmuch as it doesn't designate where aggression might come from?

Mr. ROUNTREE. Senator, one of the problems we have had in negotiations has been on the question of what kind of aggression is included. The Baghdad Pact countries would like very much for us to say we will react to direct or indirect aggression from any quarter. This we cannot do.

Senator AIKEN. No.

Mr. ROUNTREE. The concern of other countries in the area would arise primarily if we should attempt to define the kind of aggression or indirect aggression as being one of the elements of this particular agreement.

Senator AIKEN. Is this agreement so written that the United States could make a determination about what it would do at any time?

Mr. ROUNTREE. Yes, sir.

Senator AIKEN. Also, would it determine at any time what constituted aggression?

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[8] See Appendix A.

Mr. Rountree. That is correct.

Senator Aiken. That is all.

The Chairman. Senator Lausche?

U.S. IS NOT COMMITTED TO TAKE ACTION

Senator Lausche. If this is not an agreement making mandatory the U.S. Government coming to the defense of one of those Middle East nations in the event it is attacked, what would be a general proper labeling of this document?

Mr. Rounrtee. Well, Senator, certainly the United States is firmly on record as being opposed to aggression or attack on any of these countries or any independent countries. The question is what action the United States would take in case of aggression.

We are not committed by this agreement to take any particular action in case of aggression.

Senator Lausche. When do you become authorized to take action? What would have to be done subsequent to the discussion of this document for you to have authority to take action?

Mr. Rountree. The precise form of the action would be taken by the U.S. Government in consultation with the country which is the victim of attack.

Senator Lausche. Let us get ourselves clear. You state that under this document there is no moral and legal responsibility of the Government to go to the defense of a nation that is militarily attacked.

Mr. Rountree. I think there is such a responsibility of going to the defense of a nation which is attacked. The precise form of that support, of going to the defense of that nation is not determined in advance.

Senator Lausche. Then to get it clear, under the provisions of this document, the U.S. Government would be legally obligated to go to the defense of any nation that is a signatory to this agreement in the event that nation is attacked.

Mr. Rountree. As defined in article I of this agreement, subject to the Constitution of the United States, our Government will take such appropriate action, including use of armed forces, as is mutually agreed upon and as is envisaged in the joint resolution to promote stability and peace in the Middle East.

Senator Lausche. Explain that language. What do you interpret that to mean? There is a condition attached to it. The condition is what? Would you not be allowed to give military defense until the Congress approved?

Mr. Rountree. There are several qualifications. The first is that whatever we do must be subject to the Constitution of the United States.

The second is that whatever we do would have to be by virtue of mutual agreement with the other country, and insofar as the action is taken by us the commitment would be that envisaged in the joint resolution to promote peace and stability in the Middle East.

Under that resolution, sir, the President is authorized to extend economic or military assistance to countries to develop their military and economic strength.

It authorizes the use of U.S. Armed Forces to come to the defense of a country which is the subject of an attack.

Senator Lausche. That is the Middle East policy.

Mr. ROUNTREE. As promoted by international communism. Insofar as the U.S. forces are concerned in the context of this resolution, that applies only when the country attacking is under the control of international communism.

Senator LAUSCHE. I may be obtuse, but I still do not understand the exact meaning of this document.

AUTHORITY OF THE COMMITTEE

Mr. Chairman, what is the purpose of its being brought before us? Do we have any authority in this matter?

The CHAIRMAN. As an advisory consultative function. We passed this resolution; it is represented, I think correctly, as an authority to come to the assistance of these people under certain contingencies. This agreement is simply implementing the so-called Eisenhower doctrine.

We don't have to do anything about it. He is merely telling us what they are doing. He is not asking us to do anything about it, if I understand it correctly.

Am I correct?

Mr. ROUNTREE. That is correct.

The CHAIRMAN. He is not asking us to do anything about it but merely telling us what they are doing under the authority of that resolution.

Of course, it might well be argued if there were no resolution, then such a resolution as this would come here in the form of a treaty. Isn't that what it probably would be?

Mr. ROUNTREE. Certainly to the extent that it exceeded existing legislative authority.

The CHAIRMAN. That would be an interpretation, but the procedure is not unprecedented, I would say.

Senator LAUSCHE. Yes.

The CHAIRMAN. You may or may not agree with the wisdom of it, but I think what they are doing is in accordance with practice.

Senator LAUSCHE. Then it all has its basis in the last paragraph on page 1:

> Recognizing the authorization to furnish appropriate assistance granted to the President of the U.S.A. by the Congress of the U.S.A. in the Mutual Security Act of 1954 as amended, and in the joint resolution to promote peace and stability in the Middle East,

and considering that similar agreements and so forth have been entered into. Those are the two sources from which you claim you have the authority to enter into this agreement?

Mr. ROUNTREE. Yes.

The CHAIRMAN. That is right.

I want to ask one question. Are you through?

Senator LAUSCHE. Yes, sir.

PREDICTION OF MAJOR UPHEAVAL IN MIDDLE EAST

The CHAIRMAN. This is in a letter, and I want to see if you will comment on it. It is from a man who is familiar with the Middle East and lived out there. He says:

> We are in for another major upheaval in the Middle East within the next 30 days. The Pan-Arab movement, spearheaded by Abdel Nasser, is making plans for a major onslaught on communism in Iraq, figureheaded by General Kassem.

The stakes are staggeringly high. Should Abdel Nasser win, his dream of an Arab Union is realized. Should he fail, communism will usurp leadership with frightening repercussions throughout Africa and Asia.

Would you comment on that statement?

Mr. ROUNTREE. I think the statement probably puts it a little too black and white. The United Arab Republic has undertaken an attack against local communism, including communism in Iraq. And there is no question that the Communists in Iraq have been giving very strong support to Prime Minister Kassem, who is opposed to union with the United Arab Republic.

There are a lot of people who seem to think the future of Iraq lies in either a Communist Iraq or in one taken over by the United Arab Republic.

I do not believe that either extreme is necessarily the future of Iraq.

The CHAIRMAN. Iraq could be independent.

Mr. ROUNTREE. It could be independent. We do not believe that Kassem is a Communist.

The CHAIRMAN. Yes.

Mr. ROUNTREE. We believe there are many anti-Communist elements in Iraq, and certainly one of the possibilities, perhaps even the most likely possibility, is a continuation of an independent, non-Communist Iraq.

The CHAIRMAN. Is that what our policy is, to encourage that?

Mr. ROUNTREE. Yes.

The CHAIRMAN. We are not for either the Communists or Nasser taking it over.

Mr. ROUNTREE. That is right.

The CHAIRMAN. Thank you very much, Mr. Rountree.

SAFETY OF PRIME MINISTER MENDERES

Mr. ROUNTREE. May I say for your information that I have just got word from my office that Prime Minister Menderes is safe, according to the latest report.[9]

The CHAIRMAN. Where did that plane crash?

Mr. ROUNTREE. In England.

The CHAIRMAN. England. On landing?

Mr. ROUNTREE. Yes.

The CHAIRMAN. What kind of plane was it?

Mr. ROUNTREE. I don't know. All I know is that, according to the information I got a few minutes ago, the plane crashed on landing just outside of London.

The CHAIRMAN. Yes.

Mr. ROUNTREE. And then this added word which was just sent to me is that the Prime Minister is safe. It would be a major catastrophe if he were not.

The CHAIRMAN. It surely would.

Thank you very much.

[Whereupon, at 1:15 p.m., the committee adjourned.]

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[9] On his way to a 3-power negotiation on the future of Cyprus, Turkish Prime Minister Adnan Menderes survived the crash of a Turkish National Airlines plane at Gatwick Airport in England; 15 other passengers were killed in the accident.

MINUTES

TUESDAY, FEBRUARY 24, 1959

United States Senate,
Disarmament Subcommittee of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 1:30 p.m. in room 4219, New Senate Office Building.

Present: Chairman Humphrey and Senator Lausche.

Testifying on disarmament matters, international security affairs, and nuclear weapons was John N. Irwin, II, Assistant Secretary of Defense for International Security Affairs.

For record of proceedings, see the official transcript and published text.

[Following his presentation, the subcommittee adjourned at 3:05 p.m.]

MINUTES

TUESDAY, FEBRUARY 24, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met at 3:20 p.m. in the committee room, F-53, Capitol, in informal executive session to hear Miss Barbara Ward (Lady Jackson) of the United Kingdom.

Present: Chairman Fulbright, Senators Humphrey, Mansfield, Long, Lausche, Church, and Wiley.

Also present were Senators Engle, McGee, and McCarthy.

For a report on the proceedings, see official transcript.

[After Miss Ward had spoken on Africa and world affairs, the committee thanked her for her appearance and adjourned at 5:20 p.m.]

MINUTES

MONDAY, MARCH 2, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 4:20 p.m. in executive session in the committee room, F-53, Capitol.

Present: Chairman Morse, Senators Fulbright, Sparkman, Hickenlooper, and Aiken.

The subcommittee reviewed certain proposals for contractual studies in the field of U.S. policy in Latin America received from various institutions and organizations, and made certain recommendations for signing same.

For report of proceedings, see the official transcript.

[The subcommittee adjourned at 5:20 p.m.]

MINUTES

TUESDAY, MARCH 3, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee proceeded to an executive session at 12 noon in the committee's Capitol room, F-53, with the chairman presiding.

Present: Chairman Fulbright, Senators Green, Humphrey, Mansfield, Morse, Long, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, Capehart, and Carlson.

The nomination of James W. Riddleberger, to be Director of the ICA, was approved unanimously.

The committee also approved for report routine nominations in the Foreign Service on motion by Senator Long, seconded by Senator Capehart.

Senator Douglas appeared on behalf of S. 493, "To authorize the appropriation of $500,000 to be spent for the purpose of the Pan American Games to be held in Chicago, Illinois." He was joined by Senator Dirksen who also spoke in favor of reporting the bill. After a brief discussion, the motion of Senator Morse to postpone action a week was adopted unanimously.

The chairman raised the question of confirming the nomination of Mrs. Clare Luce to be Ambassador to Brazil without having her appear before the committee. On motion of Senator Morse, seconded by Senator Mansfield, the committee, on voice vote, ordered her name reported to the Senate favorably. Senator Langer stated he wished to be registered in the negative, whereupon the chairman directed that the staff not report Mrs. Luce's name to the Senate until 6 days had elapsed, under "the customary rule." Senator Lausche suggested that acting with despatch in this case was not good practice. The chairman said that it was a very special case, however, and that it was not to constitute a precedent for any other nomination.

The chairman read a recommendation from Senator Sparkman, chairman of the Personnel Subcommittee, naming John Newhouse to a vacant position on the professional staff. On motion by Senator Mansfield, seconded by Senator Morse, the appointment of Mr. Newhouse to the position was approved.

Senator Langer then reverted again to Mrs. Luce's nomination, pointing out that it had not been included in the printed agenda for the day. The chairman suggested that the action of the committee be left open, but Senator Langer, in saying that he did not want it laid over, did aver that in the future any nomination should have "at least 6 or 7 days notice" to the committee members. The chairman replied that the point was well taken, and that he agreed with Senator Langer, but that Mrs. Luce had had a long record of public service, and a successful tour in Italy as Ambassador there, and that the committee had forgiven others who had been already confirmed from appearing before it.

For record of the proceedings, see the official transcript.

[There being no further business, the committee adjourned at 12:35 p.m.]

LATIN AMERICAN PROBLEMS

[Editor's Note.—On March 2 the Latin American edition of *Time* magazine published a statement attributed to an unnamed official of the American Embassy in Bolivia, that the United States had given $129 million in aid to Bolivia since 1953 and "we don't have a damn thing to show for it. We're wasting money. The only solution to Bolivia's problems is to abolish Bolivia. Let her neighbors divide up the country and the problems." The article enflamed tempers in Bolivia, a nation wracked with economic and political problems, and anti-American riots erupted in the cities of La Paz, Cochambamba, and Oruro. Mobs stoned the U.S. Embassy and U.S. Information Service, and burned an American flag.

The Bolivian Ambassador to the United States formally protested the article, and the State Department responded that none of its embassy officials had made the offending statement. On March 3 *Time* publisher Henry R. Luce publicly regretted that the article had caused the Bolivian "expression of unfriendliness toward the United States," however he insisted that the story was a "factual analysis of Bolivia's economic difficulties." The incident would play a role in the Senate's confirmation of Mrs. Clare Boothe Luce as Ambassador to Brazil.]

TUESDAY, MARCH 3, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met, pursuant to notice, in the committee room, United States Capitol Building, at 2:40 p.m., Hon. Wayne Morse (chairman of the subcommittee) presiding.

Present: Senators Morse, Long, and Aiken.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, and Mr. Kuhl, of the committee staff.

Senator Morse. Mr. Secretary, you are very kind to come over and give us a needed briefing. We were talking the other day about the desirability of having you come over on a couple of matters. We have been so busy that we have not been able to, and your suggestion is very helpful.

When you get through with whatever you want to raise—as you can tell from the press we are going to be asked some questions about Bolivia—I hope you will brief us on Bolivia before you leave, though I do not imagine that that is what you came over to do.

Anyway, proceed in your own way.

STATEMENT OF ROY R. RUBOTTOM, JR., ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS; ACCOMPANIED BY THOMAS C. MANN, ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS

Mr. Rubottom. Mr. Chairman, as always we are very happy to come before this committee, because it is certainly worthwhile from our standpoint, and we have found during the last 2 or 3 years in which I have been engaged in work with Latin American affairs that it has been a mutually satisfactory and happy arrangement.

Rather than go into any discussion with respect to Bolivia right now, and bearing in mind that Assistant Secretary Thomas Mann, formerly our Ambassador in El Salvador, is here, he and I—particularly Mr. Mann because of his responsibilities—might talk to the committee for a little while particularly about the nature of the economic problems which face the area and have so much bearing on all of the other problems, including this one which has just arisen in Bolivia.

Senator MORSE. You go right ahead.

Mr. RUBOTTOM. Tom, why don't you start.

Mr. MANN. All right.

THE DIVISIVE ISSUE OF ECONOMIC DEVELOPMENT

I think the principal divisive issue between the United States and Latin America today is the issue of economic development. There are other issues which are important in the political and economic fields, but the aspiration of Latin America to rapidly improve the living standards of its people has assumed in the last few years a great importance.

The magnitude of the problem can best be shown, Senator, by the fact that at the turn of this century, a little over 50 years ago, there were 61 million people in Latin America. Today there are 185 million people in the area, which is treble; and the predictions are, based on assumption of the same birth rate, that in 40 years, which is not a very long time, we will have 593 million people in the area.

That compares with estimates of 312 million people in the United States and Canada combined, and it gives you some idea of the magnitude of the task.

The rate of economic growth in the area has been 4.5 percent in the last decade, not counting 1958. We do not have the figures for that. It has been 4.5 percent, which is higher than 3.5 percent for the United States, and one of the economically fastest growing areas in the world.

If you assume a stable population base, there would have already been a significant improvement in the living standards in the area in the last 10 years. But because of a birth rate which is almost that great, it is virtually impossible to show the average citizen that he is any better off now than he was 10 years ago. Unless we can devise a very dynamic development program it is going to be nip and tuck to maintain the present living standards at a time when the expectations are that they will be doubled and quadrupled in a very short period of time.

THE POOR AGAINST THE RICH

I think this issue of the 9 or 10 to 1 disparity in the average per capita income of the United States, what Latin Americans consider to be great wealth here compared with great poverty there—all of these doctrines that flow from that are very similar to the way the South felt about the North before the Civil War, that the agrarian South was being exploited by the rich industrial north. I think this issue is second to none in its divisive importance, and that it will in time overshadow all other issues in the area in terms of maintaining hemisphere solidarity.

You are aware that we have had a number of economic conferences in the past, such as the Economic Ministers some 2 years ago Dick

Rubottom attended in Buenos Aires, at which with great difficulty we were able to prevent a breach on one issue. We were outvoted 20 to 1.

It is on this issue of the poor against the rich, divide the wealth and exploitation and all the things that flow from that.

INCREASE OF U.S. FUNDS TO LATIN AMERICA

It is for this reason that in the last 12 months we have made a number of moves in the direction of increasing the rate of public funds available to Latin America for economic development. Within recent months, the capital of the Export-Import Bank has been increased by $2 billion. We are recommending a doubling of the capital of the World Bank; that is a large increase in our own callable capital available for guarantee purposes. The capital of the World Bank, as you know, is raised from private money. We are recommending that the International Fund be given substantial additional money to help the balance of payments problem.

Senator **Aiken**. Why the $400 million in gold as a contribution to the International Bank?

Mr. **Mann**. Callable capital, really. We are not actually proposing that we contribute any more money to the World Bank, but we are proposing——

Senator **Aiken**. The International Monetary Fund.

Mr. **Mann**. The International Monetary Fund.

Senator **Aiken**. Is it $875 million in credit, cash or whatever it is, and $400 million in gold?

Mr. **Mann**. In the Fund.

Senator **Aiken**. In the Fund. Do other countries contribute gold?

Mr. **Mann**. Yes.

Mr. **Rubottom**. Yes, they do.

Senator **Aiken**. On a comparable basis?

Mr. **Rubottom**. They probably maintain the same proportion.

Mr. **Henderson**. This is the procedure in the articles of agreement, Senator, that one-quarter has to be in gold, so $344 million in gold would be our contribution.

IMPACT OF PUBLIC PRESSURE

Mr. **Mann**. One of the results, Senator, of this grassroots pressure for improving living standards is political pressures on governments to do something very quickly. As a result of that, they tend to fail to maintain sound fiscal and monetary policies. They do not keep their budget balanced. Their credit policies encourage inflation. They buy more imports from the outside than they can pay for, with the result that in Brazil last year they had a rate of inflation of some 30 percent. Brazil already owes us about $1 billion, and only a few months ago we made them a balance of payments loan of $150 million or somewhere in that neighborhood, I forget the exact amount.

They are now asking for an additional balance of payments loan of $300 millions plus, and, as you know, that does not promote economic development. That only postpones disaster and exhausts their borrowing capacity and our lending capacity.

We are having great difficulty in talking to them about maintaining sound fiscal and monetary policies, living within their means and not building up these balance of payments deficits. We find that if we, as a national government, talk to them about that, the nationalists and other people are prone, in Congress and in other places, to criticize us for intervening in their economic affairs. So we have found that the International Monetary Fund, Senator, being an international organization, is the only organization capable of saying no or of exacting a quid pro quo, which is "Put your house in order and we will help you."

We are adopting in many countries of the World—this problem is not limited to Latin America—a new policy of "We will help you pay these bills and help you keep out of bankruptcy, provided you do certain things." And then we dole out the money month by month, because we have found that promises often are not carried out otherwise. That is a sideline.

COMMITTEE OF TWENTY-ONE

The magnitude of this problem is best illustrated by the so-called "Committee of Twenty-one." You will remember that President Kubitschek [1] some months ago launched what he called Operation Pan America for the purpose of restoring faith of the people in our Western way of life, economic and political. And in the so-called General Debates in which I sat for the State Department, the United States Government, there were four principal requests made of the United States.

The first one is the most important by far—and Brazil is the principal advocate. A group of countries supported them all the way. I would not say this is the universal attitude, but it is the Brazilian attitude and represented more than half the population in the area. Request No. 1 was a Marshall Plan for Latin America in the form of a U.S. commitment, disguised but nevertheless a commitment, to double living standards and per capita income in Latin America in the next 20 years.

We have no estimates because there are so many variables that it does not do much good to estimate, but their estimates were that it would cost somewhere between $20 billion and $40 billion to carry out that commitment if we made it.

We said that we were unable to enter into a commitment of that kind. We recognized the magnitude of the problem. We thought that sacrificial effort on the part of all American governments was called for, that it should not be a one-way street, and that we had to devise ways of mobilizing domestic savings, increasing the flow of private capital into the area to create jobs for the people who are today unemployed and for an ever-growing number of breadwinners in the future.

It was a tremendous job, and we should not mislead the people in the hemisphere into believing that all they have to do is push a button and Uncle Sam will guarantee these things will happen.

IMPORT RESTRICTIONS

The second major issue was their request that we remove all restrictions on importations of their primary products, and that we discriminate in that regard against the rest of the world.

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[1] Brazilian President Juscelino Kubitschek.

For example, we would buy Latin American coffee to the full extent of our market demand, and find ways of reducing or eliminating trade in coffee with Africa. And so on, across the whole commodity board.

We pointed out to them that that was prohibited. Discrimination of that kind is not only contrary to our long-established economic policies, but it is prohibited by GATT. Brazil as well as the United States and four other countries in the area were signatories to that agreement, and we could not consider it.

We pointed out also that the discriminatory sectional approach to trade of that kind would weaken our ties with NATO and with our European friends, and that it would be destructive and in the long term defeat rather than help the achievement of their aspirations.

REGIONAL TRADING AREAS

The third main project they had was to create a series of preference areas, regional trading areas, in Latin America which would discriminate in one form or another—I will not go into details—against U.S. exports to that area. In other words, we would discriminate in their favor in terms of things that they sell to us, and we in turn would be discriminated against in things that we sell to them. All of this is based on the premise that we are 9 or 10 times as rich, and something has to be done about it.

Obtaining this in a very secret, off-the-record way, I think the Senators ought to know the width of the breach that divides us and Latin America on economic issues.

Senator AIKEN. In return for the three things they asked, what would they do besides increase their population? What would they do?

Mr. MANN. Senator, there is very little talk of that. We tried to steer it around to that, and "This is politically impossible," and "We can't do this," and "This is politically impossible. We can't do that. This is prohibited by law and the constitution. We can't do this."

STABILIZING PRICE LEVELS

The fourth main thrust of Operation Pan America was in the price field in the stabilization of prices of their products. We talked about volume of trade. Now they are talking about prices and price levels.

There have always been theories in Latin America about parity in prices between raw materials and manufactured goods, and so forth, and I think they have come down off those theories which are pretty farfetched. But they now have the notion that multilateral action needs to be taken to stabilize the prices of all commodities which they export.

I would like, if I may, to have 10 more minutes——

Senator MORSE. Take your time. This is our education. Go ahead.

FLEXIBILITY IN COMMODITY STABILIZATION

Mr. MANN. The only place, Senator, that we have any chance of being flexible is in the field of commodity stabilization, and I use the word "stabilization" in quotes because I do not want the Senators to think I am trying to accomplish the impossible. I know very well what the difficulties are.

I have been to GATT and to a number of commodity conferences. Next week I am going to the U.N. for a 2-week session on commodities.

There is a tremendous demand all around the underdeveloped part of the world, shared for doctrinary reasons by a large part of Western Europe, strangely enough, to prevent these severe cyclical fluctuations in the prices of commodities.

You see it in the U.N., in GATT, in all of the commodity conferences that are being held everywhere. In certain places we are on the defensive and have what is really an indefensible policy.

For example, in the field of cotton there are some 20 countries that depend for a large part of their export earnings on the exports of upland cotton. We not only subsidize cotton, but we subsidize the export of cotton. There is an 8-cent differential so as to bring the price down in order that we may compete.

The trouble is that we are a residual supplier. We alone have the resources to hold cotton off the market for any length of time. In fact, we have been holding an umbrella over the rest of the world and have created our own problem in the last 10 years by holding it from the market.

We have tremendous stocks; and psychologically, when we start getting rid of our huge CCC stocks in the world cotton market and we begin to follow it down in our export prices, the pressures which begin to build up in the 20 countries in the world which are depednent on it are terrific.

We justify this on the ground, which I think is valid, that we are entitled to maintain our fair historical share in world trade in upland cotton, and that is somewhere in the neighborhood of 5 million bales a year.

On the other hand, we create by our same policies a new long staple cotton industry in this country, and we adopt the opposite position of saying that we are going to deny other countries their fair historical share in our own domestic——

Senator AIKEN. That is going out. The long staple cotton grown in this country is going out. Every other country has found that synthetics are much better, and it is going to put out Peru, Egypt, the United States, and every other country. So there is no future there for them.

Mr. MANN. I just indicate that we are not very consistent when we say that we have to maintain our traditional share of world trade, and then we in the same commodity put on import quotas which do exist and we are under pressure now to narrow, for exactly the opposite reason.

PURCHASING POWER

Senator AIKEN. Is not the real problem, Mr. Mann, that these people do not have purchasing power enough to use their own products? Consequently, they feel they have to unload them onto somebody else, namely us, as far as possible. Is not the lack of purchasing power, with this tremendously increasing population, the problem? They would use their cotton if they could.

Mr. MANN. Of course, if you had purchasing power your demand would be higher. Therefore, the imbalance between demand and supply would be less. That would solve it.

Senator AIKEN. Is that not the No. 1 problem?

Mr. MANN. Yes, sir.

Senator AIKEN. The lack of purchasing power.

Mr. MANN. I would say that is correct, sir.

Senator AIKEN. They have a minimum wage of what, 72 cents a day or so, and up.

Mr. MANN. But as long as you are dealing with a world which has limited purchasing power and you have not achieved the doubling of the per capita income that we talked about earlier, you have to cope in the next 5 or 10 years with the situation as it exists today.

Cotton I do not present to you as a problem except to illustrate that we are not consistent in the way we manage our own policies. I just mention that in passing.

COFFEE STUDY GROUP

Coffee is an area of tremendous psychological importance to Latin America. There are 15 countries in the area which depend, some of them almost totally, for their foreign exchange and a large part of their budget, on coffee. For years they have demanded that we enter into a coffee commodity agreement with them. We resisted that.

Last year we obtained permission to sit down and talk with them about the problem in what we call a study group; but we are not authorized to enter into any commodity agreements or, in fact, agreements of any kind. Ethiopia produces coffee, but is not a metropolitan power. All of the principal producing and consuming nations of the world entered into or became a member of this coffee study group. We did say to the Latin Americans, "We don't produce coffee. Obviously the problem is one of a very severe imbalance between production and demand. You are going to have very severe fluctuations."

The fluctuations range between 97 cents and 7 cents a pound for coffee. You can imagine the adjustments an economy has to make when its principal export and practically its sole export fluctuates between those levels.

Senator AIKEN. What percent of the world's coffee is produced in Latin America?

Mr. MANN. Senator, from memory I know that in this market, 80 percent of the coffee we consume is Latin American coffee; 20 percent is African coffee. I imagine that it is a slightly higher percentage in Europe, so perhaps 70 percent would be close.

Senator, we found that nothing we had done in the economic field of Latin America gave us such big dividends for such small costs as our participation in the coffee study group. I happen to be the president of it, principally because they could not agree on anyone else. We acted as the bridge between Africa and Latin America.

FAILURE OF COFFEE EXPORTERS' CLUB

We said, "We have no objections if you will enter into or if you will create" what I call an exporters' club, "where the governments in consultation with the consumers, to make sure the consumers do not get cheated, agree to hold off surplus production for which there is no market, and in that way to achieve a price stability at a level which is fair to both the producer and the consumer." We have never defined that level. Obviously there would be differences of opinion if we tried to. But the Europeans, except Ethiopia, which was wavering at the end, and the United Kingdom, which never wavered, were willing to enter into such an agreement with the Latin Americans. All 14 of the

Latin Americans wanted to enter into such an agreement, but Brazil found it politically impossible to do so.

At the last minute, those negotiations in terms of a world agreement, exporters' club, to which we would not be a party, broke down on two issues. No. 1, the Europeans correctly said that, "If we are to have export quotas, they must be fixed, precise export quotas."

Brazil said, "We can agree only to a retention quota, which means we will retain only a certain percentage of our quota, of which we have no idea what it will be."

The Europeans said, "That is not enough to have correct control."

The second issue they split over was when the African-European group said, "We will not cut back our production, because we haven't been overproducing. The crux of the problem is in Brazil."

Brazil has enough coffee, with the new crop coming in, to supply practically the whole world for 12 months, a carryover. It is comparable to our cotton stocks and our other stocks in size. They cannot finance that. They are practically broke. They are under great pressures to sell to generate more dollars. The domestic pressures build up, the producer versus the consumer, and that sort of thing, inside the country, so they are having great domestic political difficulties in doing what needs to be done in order to restore the industry.

Nevertheless, there is widespread appreciation on the part of Latin American governments and economists that we have made a genuine effort, and that if we fail in this in the long term it will not be because the United States was disinterested or because we did not adopt a constructive attitude.

[Deleted.]

GREAT DANGER OF DUMPING

I would like to suggest to this subcommittee that that is something we ought to show flexibility in and ought to do. There is a great danger that because of the internal political difficulties of Brazil, and to a lesser extent Mexico and Colombia, one of these countries may dump on the market. If it does, the price, which has come down 69 cents in 1957 from a high of 97 cents a few years before—I am talking about spot New York—could drop to a level of somewhere in the neighborhood of 40 cents today, perhaps to 39 or 38 cents.

Now the prospect is, Senator, that if there is a complete collapse—and by that I mean it may go down, our industry says, to 20 cents a pound—there are 15 Latin American countries in severe, not imaginary but severe, distress.

We would then have only three alternatives. We could just shrug our shoulders and wait for this situation to adjust itself, which it would in 2, 3 or 5 years. I do not know what the social and political consequences would be, but they would be great.

Another alternative would be to come out with very large-scale aid just to keep things afloat, which we would not recommend because by and large, as Bolivia shows, it does not earn any friends. It is not the most effective way to help an economy.

The third alternative would be to have stand-by authority, which we do not have now, to impose import quotas for the purpose of stabilizing the price.

The great danger in doing that is that the Latin Americans would quit. An import quota would not do anything more than an export quota would do, and they would just dump the whole problem in the lap of the United States and shrug and walk away.

NEED FOR IMPORT CONTROL LEGISLATION

But we could avoid that by saying that we would not put the import quota on—the legislation itself would say this—unless the price reaches somewhere between 30 and 35 cents. I talked to our importing industry about that the other day, and they were thinking in terms of 30, 31, or 32 cents as a floor. That would make it most unattractive to the Latin Americans to let the price go. It would be an incentive to them to keep up their efforts to prevent collapse of the price, because that price level would be very bad.

Then the legislation could provide that the import controls would automatically come off at a price somewhere 5 to 8 cents above the floor, so that by its very terms, if this idea has any merit, its design would be to have a stand-by authority to act quickly, in the event of a really severe emergency, to make it temporary and to get out of the business as soon as possible.

That would have a psychological effect. The Latins would not like that. What they want us to do is to put an import quota of about 40 cents, and keep it there. [Deleted.]

What they are saying, in effect, is: "we cannot administer this thing, but if you would put on import controls, [deleted]."

TEMPORARY EMERGENCY DEVICE ONLY

Senator AIKEN. Suppose we had import quotas of 40 cents. Would they then dump their surplus on the European market at 30 cents?

Mr. MANN. I was coming to that. I think if the Congress were to give us the authority, we would still need a waiver from GATT. To get a waiver from GATT, we would have to get the consent of all of the consuming nations of the world and the African producing nations.

Senator AIKEN. But in the meantime, they could double the yield of coffee, fertilize bananas and get a 60-pound bunch instead of a 20-pound bunch, and things like that. They are learning American agricultural tricks, Wayne.

Mr. MANN. I do not think this would solve anything in terms of the coffee business. The import quota plan that I have suggested to you would be used as a temporary emergency device only. The export quota system does not solve the question. It does give governments time to adjust their national policies so that the basic causes of this imbalance can be corrected.

SUGAR ACT SAVED THE CUBAN ECONOMY

Senator AIKEN. Would the International Sugar Agreement be applicable to coffee? It has similar terms.

Mr. MANN. Yes, sir, very similar to that.

Senator AIKEN. We have that simply to maintain the economy of Cuba.

Mr. MANN. Yes, sir. This would be more similar to the Sugar Act as distinguished from the International Sugar Agreement.

Senator AIKEN. Yes, I know.

The Sugar Act relates to their own production, and it did save the economy of Cuba, did it not?

Mr. **Mann**. I think so, yes, sir. I consider the Sugar Act and the International Sugar Agreement as distinct steps forward, although I do not claim that they solve basic problems. They prevent wild fluctuations which governments simply cannot stand any more.

If this committee were to indicate to me that this was not a wild-eyed scheme, I would undertake to obtain administration support of a draft bill, and to talk with anyone you wish about this. Nothing we can do will be psychologically as important to our economic relations with the area.

Senator **Aiken**. Relating to coffee alone?

Mr. **Mann**. Yes, sir, relating to coffee alone. I do not say we will never come back again if we have a real problem, but this coffee thing frightens me.

Senator **Aiken**. What would you do about Puerto Rico?

Mr. **Mann**. I have thought about it. Puerto Rico is such a small producer of coffee that I would not bother.

SENATE COMMITTEE JURISDICTION

Senator **Morse**. To give an offhand opinion, Senator Aiken and I of course cannot speak for either the subcommittee or the full committee, but I certainly think that if this has the merits you think it has—and it makes a lot of sense as I listen to you—you ought to get us a rough draft bill and a supporting memorandum and let us take it up in committee. We can tell you then whether we can speak for the committee or not.

Senator **Aiken**. We have to do something, but I think that the only final answer is to increase their own purchasing power. I notice that most of the reports on Latin American affairs stop just short of suggesting raising the minimum wage.

Senator **Morse**. Pat points out that in submitting any bill for consideration we have to be very careful as to how it is drafted so that we have jurisdiction, because we do not have jurisdiction over the Sugar Act.

Senator **Aiken** We do have jurisdiction over the International Sugar Agreement, however.

Mr. **Holt**. That is a treaty.

Senator **Aiken**. But not the Act. That goes before Ways and Means.

I think that the coffee agreement would have to follow the International Sugar Agreement. It would not follow the Sugar Act, because that applies to our domestic production and the subsidies to the producers.

Mr. **Mann**. I did mention this subject to Senator [Allen] Ellender in the sense of asking him who was the appropriate person to speak to, since he was the Chairman of the Agricultural Committee. He suggested that I speak with this committee, so I am here at his suggestion.

Mr. **Rubottom**. I mentioned this to Senator [Lyndon] Johnson just before the Mexico trip. He did not voice any opinion, but he recognized the seriousness of the matter and suggested that Mr. Mann and I go to work with the respective committees.

Mr. **Holt**. The Senate rules assigning committee jurisdiction say that the Committee on Finance shall have jurisdiction over, among other matters, tariffs and import quotas and matters related thereto.

Mr. **Mann**. It is rough.

A GOOD CHANCE THE COLLAPSE WILL COME

Senator, what I am really saying, in plain words, is that if we do nothing and this collapse comes—I do not predict that it will come, but I think there is a good chance that it will—and we do not have any stand-by authority, and Congress may not even be in session, I do not know what is going to happen to us.

I am willing to write in any safeguards that you suggest, even to the point of consulting with anybody in advance of actually imposing a quota, but I would like to have authority on the books to act if we have to.

Senator **Morse**. Why do we not do this. Listen to this, Senator Aiken. Let us assume now that we parliamentarily stop. Why do we not go ahead and get this thing drafted with a supporting memorandum? Then as a committee we go to Finance, if we have to and say, "We have a mutual problem. We have a foreign relations problem. We respect your jurisdiction. We want to present this to you with our recommendations." And you might move Finance.

Senator **Aiken**. I do not think Finance would be adamant in a case like this.

Senator **Morse**. I think if the Foreign Relations Committee made that approach to Finance—

Senator **Aiken**. The only trouble, Wayne, would be the House and what would happen there. This would affect revenues, I suppose, would it not?

Mr. **Mann**. No, sir, not a bit.

Senator **Aiken**. It would not?

Mr. **Mann**. No, sir.

Senator **Morse**. I think in the foreseeable future the whole Foreign Relations Committee is going to have to do a certain amount of legislative work with other committees, because their jurisdiction involves foreign relations and we want them to see it.

Senator **Aiken**. I do not think the Finance Committee would cut up over it.

Senator **Morse**. I still think you gentlemen ought to prepare the bill and prepare the memorandum.

Mr. **Mann**. We will be most happy to, sir, if I do not get slain in trying to get administrative approval.

USE IT AS A LEVER

Senator **Aiken**. Another thing I would want to do, Wayne, if we were doing this for them—and it would be for them directly—is to use it as a lever to persuade them to do more for themselves.

Senator **Morse**. Yes.

Senator **Aiken**. What is the minimum wage in most Latin American countries? I know it is $1.40 a day in one country.

Mr. **Mann**. It is lower than that.

Senator **Aiken**. It is 80 cents less 10 percent in another, and they really do not have any purchasing power so that they can buy their own cotton. I have seen them picking over coffee beans and saving the poor ones to use in their own country and sending the best ones to other countries, just the way we used to pick over beans and save the poor ones to feed the sheep.

TAXES AND SOCIAL REVOLUTION

Mr. MANN. Senator, I am very sympathetic with the people who work on these coffee farms; the conditions are almost indescribable. But I think there are two great needs in Latin America: The first is to tax the rich man rather than to start with the lowest strata of society. I think they are going to need capital, public funds.

The way we had our social revolution in this country, and I think we have had one, is through the income tax. Instead of trying to pull people up by artificial means, I would rather approach it from the other side to generate more capital, because of the area's enormous need for growth capital that we cannot supply.

You can take that capital, assuming you could do it—although I think it would be politically impossible for us to attach any condition to that—and you would be diverting in wages, which these people would spend, money that ought to be spent in creating productive industries. The government would take an income tax and get more money and put that into industry; then the chances of pulling out of this crisis would be much better.

Senator MORSE. Mr. Mann, you have been very helpful, and we stand here ready to help you. I think Senator Aiken and I can say at least this: Our colleagues on the subcommittee would not let us down if we notified them that at this meeting we advised Secretary Rubottom and Mr. Mann to proceed to get this matter into a condition so that we can submit it to the full committee.

Senator AIKEN. Work it a little farther along.

Mr. MANN. May I leave a paper with you? In an effort to be constructive, not merely negative, in this Operation Pan America, with the assistance of Mr. Rubottom's bureau we have prepared a statement of our position. It is not long, but to it are attached a number of resolutions.

Senator MORSE. Will you supplement this, though, with the other material for which I asked?

Mr. MANN. Yes. This is very general, Senator.

SITUATION IN BOLIVIA

Senator MORSE. If that is all you have on that, Mr. Secretary, I think we ought to have a discussion of Bolivia, because we are going to be pressed on it. While Mr. Mann was talking—and I will put all my information on the table—I received this note from Mr. Ned Kenworthy of the New York Times, who called and asked that I be given this information:

> The Bolivian Ambassador called at the State Department at 12:30 last Saturday to deliver an oral protest about the Time magazine article. Now the question arises why the State Department did not put out some sort of reassuring statement at that time as it did last night instead of sitting on it for 48 hours. The State Department, if it had acted quickly, might have prevented these demonstrations. All that was needed was a simple statement.

I suspect this will be the New York Times line, and therefore as a favor to you I give you this information.

Will you proceed to brief us on the Bolivian situation?

One more item I have not seen but which Pat has just handed me. This is UPI urgent message:

> **Senator Bridges has recommended to the White House and State Department that we hold off foreign aid to Bolivia and use U.S. military force, if necessary, to protect American lives in view of the anti-American demonstrations there. He called for quick action. Mr. Raymond would very much like to have Senator Morse's views on the above statement of Senator Bridges.**

I had not seen that until now.

BOLIVIAN PROTEST

Mr. RUBOTTOM. The first news we had of this problem, Senator, was last Saturday morning when we received a telegram from the Embassy which indicated that our chargé d'affaires in Bolivia had been called to the Foreign Minister's office. You should bear in mind that the Foreign Minister is the former Ambassador here, [Victor] Andrade, who was in the United States some 7 years, and who I think knows many of you personally and knows the United States quite well. Our charge d'affaires was told by the Foreign Minister that the article in Time was quite offensive.

We received a telegram from our Embassy about it, and the Ambassador came in to talk to me about it at the time. We assured him that we did not think that it was believable that anybody on our Embassy staff could have made such a statement as was attributed. Unfortunately, however, it may have been made to Time magazine by someone on the Embassy staff.

We went on to say that our whole policy in Bolivia demonstrated the falsity of any such statement or belief on anybody's part.

PROPOSAL TO ABOLISH BOLIVIA

Senator AIKEN. Just what was the statement?

Mr. RUBOTTOM. The statement had to do roughly with the fact that the money which was being used in Bolivia in the aid program was being wasted. That much of it was in the domestic edition of Time. But the Latin American edition, which was distributed there, went on to say that the only solution to Bolivia's problems was to abolish Bolivia and divide it and its problems among its neighbors. And it referred in the article to this having been said jestingly, but it was attributed to some Embassy officials.

Obviously they took great umbrage at it.

I received the Ambassador and told him that our whole policy is a living denial of any such belief on the part of anybody in the Government, and an indication of our effort to preserve the independence and the integrity of Bolivia.

This seemed to satisfy him, and he said that he would communicate with his government immediately.

CALM RUFFLED TEMPERS

Meanwhile, we had to go back to our Embassy to find out what more we could, to get word from the chargé as to whether there was any indication that anybody had made such a statement.

The Ambassador came in again yesterday, and we put out a statement last night. Meanwhile there may have been a statement or two put out over the weekend there. I have some telegrams.

Senator MORSE. You mean a statement down there, Mr. Secretary?

Mr. RUBOTTOM. Yes.

Senator AIKEN. The Foreign Minister of Bolivia does not draw a salary, does he?

Mr. RUBOTTOM. Yes.

Mr. MANN. Virtually no salary.

Mr. RUBOTTOM. I think it is around the equivalent of $100 a month.

Senator AIKEN. Yes.

Mr. RUBOTTOM. It is patently obvious that no one really could have made such a statement; our chargé told the Foreign Minister that last Friday night, and I told the Ambassador here——

Senator MORSE. Saturday.

Mr. RUBOTTOM. Saturday. Whether or not a statement was made here, as suggested by Kenworthy, or down there, or wherever it was made, it seems to me that it is not going to calm the ruffled tempers of people unless the host government takes extreme precautions to play the thing down and to try to have the people go on about their business.

Our chargé suggested that in our own approach in talking to the Ambassador on Saturday, this matter should not be inflated out of proportion to its true value, which was absolutely zero.

THE MAGAZINE SHOULD NOT HAVE PUBLISHED IT

I think the situation in Bolivia has been tenuous. I have reported to this committee a number of times the difficulties there. And a spark of this kind, caused, in my opinion, by absolutely irresponsible reporting and irresponsible handling of the news even after it came in—suppose somebody did say it in jest, in confidence, to a newspaper person or somebody on a magazine. I really do not think there is any reason the magazine should have published it, because it is patently contrary to the national interests of the United States for it to have been said.

Senator MORSE. No one could have said it unless he was drunk.

Senator AIKEN. Could that have been started by the Christian Democrats?

Mr. RUBOTTOM. I just do not know, Senator.

Senator MORSE. Our Minister down there made very clear as early as last Friday or Saturday to the Bolivian authorities that this does not represent the attitude of our Government, did he not?

Mr. RUBOTTOM. That is right.

Senator MORSE. That was published down there, was it not?

Mr. RUBOTTOM. I do not know whether it was published or not.

Senator AIKEN. We have complied almost fully with the requests of Bolivians for aid, I believe.

Senator MORSE. Do you have any figures available as to the aid we have supplied Bolivia in the last few years?

Mr. RUBOTTOM. Yes, sir, I think I have the figures here. Let me see if I can find them.

STATEMENTS TO THE PRESS

Senator **Morse**. Go ahead. I was just thinking about what we ought to say to the press when they come in, to show our good will.

Mr. **Mann**. Mr. Chairman, if I have your permission, I will retire.

Senator **Morse**. You may retire. Thank you very much, Mr. Mann.

Senator Long, Mr. Mann has been discussing with us the economic situation in Latin America, particularly in relation to coffee. Now Secretary Rubottom is briefing us on the Bolivian incident which seems to be causing a lot of concern among our friends in the press.

Senator **Aiken**. They are under rather severe political pressure down there, particularly from the Christian Democrats, I think.

Senator **Morse**. What is the tin situation?

Senator **Aiken**. Russia dumped tin on the world market, so the tin situation is not good.

Mr. **Rubottom**. I cannot find any evidence as to whether or not there was any public statement made there prior to the one we released here yesterday.

Senator **Morse**. But we did make clear to their officials that——

Mr. **Rubottom**. On Saturday, yes, absolutely, and there is no reason why the government, if they wanted to, could not have made such a statement to that effect in an attempt to calm their own people.

From the standpoint of dealing with a rather ticklish problem here, we were somewhat loath to rush into print with a statement that this was absolutely not made, because we did not know whether that might put the magazine into a situation where it would in turn be forced to say something to protect itself. We wanted to take the time to find out whether the chargé had any record of anybody there saying any such thing.

And reaffirmation of the statement by the magazine would simply fan the flames.

THE TIN SITUATION

Senator **Morse**. I cannot imagine anybody saying anything which would be subject to that interpretation. What are our economic relations with Bolivia right now? What is the tin situation?

Mr. **Rubottom**. The tin situation has firmed up a bit in the last couple of months, but it was seriously impaired during most of 1958; and we made public reference to this, because of the dumping of tin by the Soviets.

A good example of what has happened in Bolivia over the last couple of years with respect to its foreign exchange receipts is that it had in the neighborhood of $130 million a year income from tin sales in 1956, I believe; in 1958 its income dropped to $57 million, so you can see the drastic tightening of their foreign exchange belt that they had to carry out. Our aid program has remained more or less the same.

IMPROVEMENT IN BOLIVIA

As a result of the stabilization program there has been one great improvement in Bolivia, namely, the increase in agricultural production. You may recall that back in the early days of the aid program, with a lot of our aid going out in the form of surplus food, it was brought in at a superficially low exchange rate of 190 when inflation was taking the rate up to several thousand, and eventually 12,000 to 1 was the boliviano. So the rate at which this food was received into the country was so cheap that it had an extraordinary value, and most of the food was going out as contraband.

As part of the stabilization program that went into effect there on December 15, 1956, this artifically low rate was abolished. It was set at around 9,000 or 10,000 to 1, and has stayed more or less stable between 9,000 and 11,500 since that time. The producers of agricultural and foodstuffs in the country have gotten a relatively fair price for their goods, and we have been able to use our aid program for other things besides foodstuffs.

I think agricultural production has gone up in the neighborhood of 80 percent in the last 2 or 3 years in Bolivia.

Senator AIKEN. They are in balance, I guess, on wheat and sugar.

Mr. RUBOTTOM. Pretty much.

Senator AIKEN. And will be in cotton very shortly.

Mr. RUBOTTOM. Some of our aid—for example, this year, the fiscal program 1959——

Senator AIKEN. In other words, they are using their own.

Mr. RUBOTTOM. Yes. There is $1 million out of a total of $20.5 million that is for wheat and wheat flour, and there is $3 million for sugar.

U.S. AID TO BOLIVIA

Senator MORSE. Give me the figures on what our aid program is and has been.

Mr. RUBOTTOM. Beginning in 1953 it was $6.1 million. In 1954, it was $12.5 million; in 1955, $25.3 million.

Mr. HOLT. This is the total postwar.

Senator MORSE. All right, let us go back to the years——

Mr. RUBOTTOM. In 1953, $6.1 million; 1954, $12.5 million; 1955, $25.3 million; 1956, $25.5 million; 1957, $25.9 million; 1958, $22.4 million; and fiscal 1959, $20.5 million.

Senator, that first figure is the accumulation of technical cooperation assistance from the time the program began in about 1942 through 1953. So that figure could either be eliminated or, if you are talking about the financial assistance of importance to Bolivia, that figure might——

Senator MORSE. Start with 1954.

Mr. RUBOTTOM. Yes.

Senator AIKEN. Has there been any recovery from that in any way?

Mr. RUBOTTOM. Recovery to us?

Senator AIKEN. Yes.

Mr. RUBOTTOM. No, sir. This has been on a grant basis.

Senator MORSE. What has it gone to?

Mr. RUBOTTOM. In the early years, for example in 1954, $5 million of the $12.5 million was for Title II foodstuffs; and in 1955, out of $25.4 million, $14.6 million was for foodstuffs. And even as late as 1956, $17.1 million out of $25 million was section 402 foodstuffs and commodities.

However, beginning in 1957—with the stabilization program when it went into effect, which cured this problem that I described earlier—a heavily weighted part of the aid program has gone into projects of one kind or another to assist in the economic development of the country.

For example, in 1957 that was $12.4 million. In 1958 it was $17.0 million. And in 1959, it was $15 million.

A good bit of that is outright cash grant to support the budget, but I would say roughly two-thirds of it is for economic development.

Senator MORSE. All right, I think we have that.

Now one more thing, because I know you have to go.

[Off the record.]

ATTACKS ON U.S. EMBASSY

Mr. RUBOTTOM. Senator, if I could go back to Bolivia for a few minutes, I would like to arm you with as much information as I have.

I do not know what has happened in the last 2 hours since I left my office, but the Ambassador of Bolivia called on the Acting Secretary last night and left a note. Immediately after that we put out the statement.

If you want a copy of that statement, I can give you this. You might find it useful.

This morning we prepared a note, and the Acting Secretary must have signed it in the early afternoon. We will be delivering the note to the Ambassador in the course of the afternoon, and it does not go much beyond what that statement does except for one thing, which I think you ought to know about. That is the serious manner in which we look at the attacks which have been made on the Embassy there, and the assurances we have requested that that government will take the necessary steps to protect our people.

I think the part which I have just stated, which is not in that statement, is a statement that you would want to get into because as you realize, our Embassy yesterday afternoon was stoned and a couple of cars were burned. The carabineros tried to protect the Embassy. They apparently shot into the crowd and killed a 15-year-old boy, and further attacks were expected on the Embassy this afternoon at about 3 o'clock our time.

EVACUATION OF THE EMBASSY

Meanwhile, President Siles[3] said he was afraid he could not guarantee protection of the Embassy. So early this morning at about daybreak, we destroyed all the codes and all the classified material in the Embassy as a precaution. We evacuated the Embassy this morning and put our people in residential areas away from the downtown area where they would have recourse for protection to the military barracks there, the Bolivian Army, and where the government thought that they could afford them the protection that was necessary.

It is an extremely delicate thing. If you have been in La Paz, you know what the problem is getting to the airport. We have not done anything about evacuation because, frankly, there is a tremendous risk. It would take massive military protection to get them through the narrow streets of the downtown section and to the airport, which is about 1,000 feet above the city. As a matter of judgment, it was decided that they could be better protected, and perhaps there would be less provocation in the face of the feeling which is being fed by irresponsible elements there—certainly the Communists are entering the picture—if they did not try to leave at this time.

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[3] Dr. Hernán Siles Zuazo.

So we are hopeful and prayerful that the situation will calm down this afternoon.

COMMUNIST-INSPIRED ATTACKS

Senator **Aiken**. Do you believe that this is Communist-inspired?

Mr. **Rubottom**. There is quite a bit of it.

Senator **Aiken**. I know they have a Communist Party.

Mr. **Rubottom**. I think that some of the irresponsibility now is being pushed along by the Communists.

Senator **Aiken**. There has been more trouble to the government from the Christian Democrats, has there not?

Senator **Morse**. Who are the Christian Democrats?

Mr. **Rubottom**. That is the Falange group, the very small minority rightist group representing the business people, the owners of the nationalized tin mines.

LATIN AMERICAN DISTRIBUTION OF TIME

Senator **Long**. Are we distributing Time magazine down there as a part of the USIS program?

Mr. **Rubottom**. No, sir. All the issues which were shipped in for sale were confiscated by the government, but some people who subscribe to it apparently got their copies. Part of what was done yesterday was the burning of some of those that had not been confiscated.

Senator **Aiken**. Does Time circulate generally throughout Latin America?

Mr. **Rubottom**. Yes, sir, I think it has pretty widespread distribution, among the reading public.

Senator **Aiken**. A paper that used to be published in Havana has the widest circulation.

Mr. **Rubottom**. Bohemia magazine is widely circulated.

Senator **Morse**. Mr. Secretary, as the one who made the motion to expedite Mrs. Luce's confirmation, I am not so sure that this incident is going to help her in Brazil.

Mr. **Rubottom**. I will reserve any comment on that.

AMERICAN INVESTMENTS IN CUBA

Senator **Long**. Mr. Secretary, might I ask one question about Cuba before you leave?

What seems to be the situation about American investments down there? I am particularly concerned about some of those who have funds invested in Cuba.

Mr. **Rubottom**. This has been a concern which we have expressed to the Cubans ever since the takeover of this new revolutionary group, and in the first few days there was quite a bit of uncertainty about the treatment accorded to the American and Foreign Power Co., which is the biggest U.S. investment there.

I think it is close to $300 million. However, after some difficulties for a few days, in which some of the labor elements tried literally physically to take over——

Senator **Long**. Which investment is this you have in mind now?

Mr. Rubottom. The American and Foreign Power Co. That is electric power, the principal operator providing electric power all over Cuba. After a few days of uncertainty, they pretty well worked out their problems, and we understand that they have been unmolested and have been getting along reasonably well for the last month. The International Telephone and Telegraph Co., another big U.S. investor which has been spending very large sums of money on an expansion program in Havana, has been the recipient of some of Castro's very pointed barbs because it had been rather close to the Batista government in the minds of the people, and I think it printed some advertisements expressing appreciation for the treatment that had been given by the government about a year ago.

Senator **Long.** I am interested in knowing where the Freeport Sulphur Co. stands with their development of nickel there, because the plant for processing that in the area is supposed to mine it and semiprocess it in the Los Angeles and the New Orleans areas.

Mr. Rubottom. Yes, that is the Moore Bay contract, and it had been negotiated and signed within the last 6 months of the Batista government or within the last year. And it also has been the recipient of some barbed comments by newspapers and by Castro. But until now, as far as any molestation or any obstacles put in the way of that company, or our GSA Government-owned nickel processing plant are concerned, I have not heard of any serious obstacles.

I know that the Proctor and Gamble people have been rather distressed, and they laid down the rules of the game as they saw it to the Cubans. I got the impression on presentation that perhaps there was going to be some give on the part of the Cubans to enable them to continue operating their soap and detergent plants there.

If the sugar companies are in any dire distress, they have not come to me in the last month or so, so I can only assume that in spite of the difficulties, they must feel that they can surmount them.

POTENTIAL GREATNESS IN THE CUBAN REVOLUTION

Senator **Long.** What I hear from most people down there is that they are hoping Castro stays in good health for the time being because they just don't feel that they can stand another upheaval such as they have been through. They feel they need some organized authority.

Mr. Rubottom. If I could go back to what [Luis] Munoz-Marin, the Governor of Puerto Rico, has said, there is potential greatness in this revolution in Cuba, and everybody hopes that it will be able to achieve this potential. Cuba has been plagued for 60 years by graft and dishonesty. Almost without exception I think they have had dishonest governments, and if this government could bring honesty and a high level of competence to government, it would be a tremendous thing. There may be some dislocation and difficulties for American business in the meantime, but I think in the long run they would all agree that they would profit by having to deal with an honest government; certainly the Cuban people would be far ahead.

But it is still early to make any sweeping generalizations about the situation in Cuba.

Senator **Morse.** That is what he also said. He said that he had a lot of reservations as to whether or not Castro was going to rise to the stature that the job calls for.

Mr. RUBOTTOM. I wouldn't want to mislead the committee by saying that from where I sit I can see the end of this and that it is all going to be rosy. It is too early.

CASTRO'S ACTIONS

Senator MORSE. I can't imagine that anybody who knows anything about policies of the American Government would embarrass our Government by carrying on relations with Members of the Congress who really have no official standing in connection with State Department affairs or Foreign Relations Committee affairs of the Congress. He must be doing it on the basis of a divide-and-conquer theory.

Mr. RUBOTTOM. Or say the things that he said in Venezuela, for example.

Senator MORSE. I know about that speech in Venezuela. It received very little reporting here as to what he actually did say against the United States, nor did the one that he made when he in effect said to the Venezuelans, "You have done only part of your job. You still have not gotten rid of the military."

This was a speech he made to a mass of people; the new president was about to be inaugurated and he in effect said, "You have only gone halfway."

Mr. RUBOTTOM. After the election and about 2 weeks before the inauguration of Betancourt,[4] he said, "Your revolution is not over yet."

Senator MORSE. Thank you, Mr. Secretary.

[Whereupon, at 3:55 p.m. the hearing adjourned.]

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[4] Romulo Betancourt was inaugurated President of Venezuela on Feb. 13, 1959.

MINUTES

THURSDAY, MARCH 5, 1959

United States Senate,
Subcommittee on American Republic Affairs
of the Committee on Foreign Relation,
Washington, D.C.

The subcommittee met in the committee room, F-53, Capitol, in executive session at 4:20 p.m.

Present: Chairman Morse, Senators Fulbright, Sparkman, Hickenlooper, and Aiken.

The subcommittee considered certain proposals for contractual studies of certain areas and subjects in Latin America by institutions and organizations, and agreed on certain contracts.

For record of the proceedings, see the official transcript.

[At the conclusion of its business, it adjourned at 5:40 p.m.]

THE BERLIN SITUATION

TUESDAY, MARCH 10, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to notice, in the committee room, United States Capitol Building, at 10:35 a.m., Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Morse, Long, Gore, Lausche, Wiley, Hickenlooper, Langer, Aiken, and Carlson.

Also present: Livingston T. Merchant, Assistant Secretary of State for European Affairs. Mr. Marcy, Mr. Denney, Mr. Henderson, and Mr. Newhouse, of the committee staff.

The **Chairman**. The committee will come to order.

We are very happy this morning to have the Acting Secretary of State, Mr. Herter, who has consented to come and brief us especially with reference to the current situation in Europe, but on anything else he feels we should be informed about.

Mr. Herter, you may proceed in your own way, and we will have questions, if it is agreeable to you.

STATEMENT OF HON. CHRISTIAN HERTER, ACTING SECRETARY OF STATE

Secretary **Herter**. Mr. Chairman, and members of the committee: I had assumed that the particular subject that you wanted me to cover this morning was the Berlin crisis——

The **Chairman**. That is right.

Secretary **Herter** [continuing]. And the situation in Germany as a whole.

With your permission I would like to cover it this way: A few words with regard to the existing status, the military position, the contingency planning, the prospect for negotiations, the preparations for conference, the coordination with our allies, and the role of the United Nations.

If that order would meet with your convenience, I would like to take up the various phases of the situation in that order.

ROUTES OF ACCESS TO BERLIN

You are all familiar, I am sure, with the legal situation from the point of view of the presence of our troops in Berlin. This situation arose from the occupation status resulting from the victory over Germany by the major powers, and the Four-Power Agreement, or, first of all, the Three-Power Agreement reached in London in 1944, later confirmed in 1945 when France was brought in as one of the occupying powers, and reconfirmed in 1949 after the blockade of Berlin and the negotiations subsequent to that blockade.

Senator **Mansfield**. Could I ask a question? When Mayor Brandt was before this committee, he said that as a result of the Jessup-Malik conversations [1] and an agreement ending the Berlin Airlift, at that time there was further agreement that the routes of access would remain open. Is that correct?

Secretary **Herter**. That is correct. I have here the documents, if you would like me to file them with the committee.

Senator **Mansfield**. I would like them for my own benefit because I could not trace this down, and I would like to follow up what Mayor Brandt said and what you just corroborated.

Secretary **Herter**. These were released by the Department on December 19. They are the summary of the agreements that were reached and the different dates on which they were reached. The situation in Berlin is one in which West Berlin has prospered and has developed considerably from the point of view of its industrial development, its housing, and the occupation of its people.

From our point of view the situation that has existed ever since the blockade has been entirely satisfactory. It has been entirely satisfactory so far as we know to the people in Berlin. This was confirmed by the votes taken comparatively recently, which were a reaffirmation of faith in the government of Berlin under Willy Brandt, and which showed an infinitesimal Communist vote which would indicate any dissatisfaction with the status quo as it has existed during the last 10 years.

KHRUSHCHEV PLAN FOR A FREE CITY

Then as you know, very suddenly at the end of November Mr. Khrushchev made a speech in which he indicated that the time had come when there should be a change in the status of Berlin.

He suggested that it become a free city. He said that the Russians would move out of East Berlin, that they would expect the Allied troops to move out of West Berlin, and that it should be given a separate status.

He has followed that up since by his various statements with regard to making a separate peace treaty with East Germany, and turning over to East Germany complete sovereignty over the access routes to Berlin.

In a moment, if I may, I will show you a map that would indicate the access routes that are under discussion.

OCCUPIED TERRITORY

Senator **Mansfield**. Mr. Chairman, may I interrupt?

When you speak of the two Berlins, is East Berlin a part of the so-called German Democratic Republic?

Secretary **Herter**. It is the capital of it.

Senator **Mansfield**. It is a part?

Secretary **Herter**. It is an integral part of East Germany.

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[1] In 1949 Secretary of State Dean Acheson asked Philip C. Jessup, a member of the International Court of Justice at the Hague, to conduct secret negotiations with the Soviet delegate to the United Nations, Jacob A. Malik, to end the Berlin blockade and airlift.

Senator **Mansfield**. So far as West Berlin is concerned, is that occupied territory?

Secretary **Herter**. That is correct.

Senator **Mansfield**. By three powers, but with links with West Germany?

Secretary **Herter**. It has a separate status linked with West Germany.

Senator **Mansfield**. Right.

Secretary **Herter**. The proposal that Russia has made is, in effect, that she will make a separate peace treaty with a government which didn't exist at the time of the occupation at all, which had been created since the occupation by the Soviets and which we have never recognized and none of our allies have recognized. And we have taken the position, which I think is entirely sound from a juridical point of view, that the mere fact of drawing up a treaty with this government that the Russians created has had no part whatsoever with regard to occupational rights, and turning over to it the responsibilities and the obligations which the Russians assumed has absolutely no validity whatsoever.

As one of the four occupying powers that derived its rights from the occupation and the agreements, it cannot unilaterally turn its responsibilities and rights over to another entity without the consent of those with whom it had reached an agreement, namely, France, Great Britain, and the United States.

Senator **Green**. What was the other entity to which they transferred it? You said they couldn't transfer it to another entity.

Secretary **Herter**. East Germany——

Senator **Green**. I see.

Secretary **Herter** [continuing]. Which is a creature, so to speak, of the Soviet Government itself.

SOVIET OBLIGATIONS

The situation with regard to Berlin from a military point of view can best be shown on the map which is marked "Secret," and which we have to keep secret because the information on it with regard to the disposition of the German and the Russian troops is intelligence information, and it has been made up from that intelligence information.

Senator **Lausche**. Out of what agreement do the obligations of the Soviets stem?

Secretary **Herter**. From what agreements?

Senator **Lausche**. Yes.

Secretary **Herter**. From a succession of agreements, Senator. They began before the war was over and were signed in London, an agreement with regard to division of the territory in the event of complete victory. They were confirmed in 1944 and in 1945; they were reconfirmed in 1949 after the blockade and the negotiations, and were again referred to in 1955 at the time of the Summit Conference with respect to the obligations of the Russians.

So until this unilateral declaration on the part of the Soviets, they had always recognized both their responsibilities and their obligations with reference to the quadripartite agreements.

Senator **Wiley**. All reconfirmed in writing?

Secretary HERTER. Yes, sir; or in statements that were recorded in communiques. I think that is correct. I have here Mr. Merchant who is——

The CHAIRMAN. I forgot to welcome Mr. Merchant. I did not see him at the beginning.

Mr. Livingston Merchant is the head of the European Desk.

GUARANTEED CORRIDORS TO BERLIN

Secretary HERTER. I wonder if you could hold that back by the easel so all members could see it?

That round circle with a black line around it is Berlin. The free access that was guaranteed to Berlin was guaranteed both on land and in the air.

In the air are three corridors. There is one that comes from Frankfurt here——

Senator GORE. Did you use the word "guaranteed"?

Secretary HERTER. I say guaranteed in that the agreement provided for these corridors, and they were described as to width and direction, and so on.

This is where the planes have been coming with free access to Berlin to the three airports—the French, the British, and Tempelhof. Those are the three here.

The land access is on the railroad, which is shown here in black. That comes along the canal, although that canal is not particularly specified, which has been used right along, which is the green, and the Autobahn, which is right along here, which is the red. It is about 120 miles from Berlin when it gets outside East German territory.

In other words, this, to the edge of the green here, is about 120 miles.

EAST GERMAN TROOP STRENGTH

You can see from the map that scattered all through East Germany are the troops that are indicated here; the Soviet strength is much greater, of course, than the East German strength, but the East German ground forces are the ones that are in black shown here in various places.

The total East German ground forces of the Soviets are 316,000 in these various units, about 15,000 security forces, 20 line divisions.

Here are the East Germans, 75,000 Army personnel, 45,000 security forces, 7 line divisions.

Jet fighters, Soviets, 545; light bombers, 90, and various other units 200.

East German air strength about 210.

In other words, surrounding Berlin there is considerable ground and air strength.

RELATIONS BETWEEN EAST AND WEST BERLIN

Senator GREEN. What are the relations of the governments of East and West Berlin and the attitudes of the people of those parts of the city?

Secretary HERTER. I don't know how accurately I can describe that. There is considerable trade that takes place under de facto arrangements that have been made between the peoples of West Berlin, East Berlin, and East Germany.

Senator GREEN. Are they official documents?

Secretary HERTER. They are documents in the sense that they are de facto agreements. In addition to that, there is considerable movement into Berlin over routes that are not the recognized access routes, the ordinary civilian routes in which the East Germans and West Germans have made arrangements for traffic. There are many de facto arrangements of that kind.

The traffic in and out of East and West Berlin is quite considerable. Many East Berliners work in West Berlin during the daytime, and then go back to East Berlin at night. This whole situation is one of some importance in trying to gauge the motives of the Soviets in suddenly trying to disrupt this entire situation and obviously trying to drive us out of Berlin. Probably the best guess we can make is that West Berlin has become a festering sore, so far as they are concerned, a constant exhibit of a way of life under a capitalist regime that is infinitely better than that which is found in East Berlin and East Germany.

NO LOVE FOR THE COMMUNISTS

Senator GREEN. Have there been any demonstrations in East Berlin for or against the proposal?

Secretary HERTER. No, unless you can call the receiving of Mr. Khrushchev in the last few days as being demonstrations. How much those were staged we have no idea. He has been in East Berlin in the last 2 days, and the press reports indicate some demonstrations. How much they were staged for the occasion we don't know.

The CHAIRMAN. You mean favorable?

Secretary HERTER. Our best intelligence is that if East Berlin had a free vote it would go 90 percent to join West Berlin and go into the free zone. There is no love for the Communists, I am told, but again that is a supposition of the facts, but I think all the intelligence services agree on that.

UNILATERAL ABROGATION OF AN AGREEMENT

Senator WILEY. Mr. Secretary, just one question that I wanted to ask:

You said in November 1958 that the Kremlin stated they were going to get out of East Berlin and turn over all the territory, the right to the corridors and so forth, to the East Berliners.

Secretary HERTER. That is right.

Senator WILEY. Does that involve all that green territory that we see?

Secretary HERTER. Yes, that would be part of East Germany. But the corridors would be the strips that I described there, the three that you see in yellow there which would be air approaches, and then the railroad, the railroad and the Autobahn, which go directly east and west from Berlin and which are the recognized routes of access.

Senator WILEY. Then you say that breaches all that line of understanding that goes back to the 1940's and into 1957, whereby the three powers agree there will be no change in the relationship unless they all agree to it?

Secretary HERTER. Senator, the four powers; Russia agreed, too.

Senator WILEY. Four powers, yes. Well, that raises the issue——

Secretary HERTER. It is a deliberate unilateral abrogation of an agreement that we don't recognize they have a right to do.

Senator **Morse**. Mr. Secretary, is there anything about those agreements that precludes our having copies of them? Has this committee ever been supplied with the language?

Secretary **Herter**. We would be glad to give you all the documentation.

Senator **Morse**. That would be very helpful. The Potsdam Agreement made no reference to the corridors.

Senator **Green**. It seems almost impossible that there should be no public comment or demonstrations on these matters in East Berlin. Is there no expression of approval or disapproval in the papers or in public speeches?

Secretary **Herter**. I don't know of any. Do you?

The newspapers of East Germany are supporting this move, of course, but they are completely run by the Soviets.

Senator **Green**. Yes.

SECRETARY HERTER'S SCHEDULE

The **Chairman**. For the information of the committee, I overlooked the fact that the Secretary must leave at 11:30 to meet the President of El Salvador, but Mr. Merchant will continue and can supplement whatever the Secretary has to say.

Is that correct?

Secretary **Herter**. That is correct.

The **Chairman**. I say that only to guide you if you want him to go ahead and speak his piece and then ask questions of Mr. Merchant.

Senator **Morse**. I merely want to make a request. I would like to have supplied, and I think every member of the committee should have, a memorandum that documents these agreements.

The **Chairman**. Which agreements?

Senator **Morse**. The agreements which the Secretary has talked about which shows the unilateral violation by Russia, because I think it is one of the best argumentative weapons we have in the discussion of the Berlin issue with the American public. Then I would like to have them related with the Potsdam Agreement. It has always been my understanding that in the Potsdam Agreement there was no relation to it.

Secretary **Herter**. The Potsdam Agreement did not bear on this particular issue at all. We have sent up to the committee a summary of this with the dates, and we could give you an even fuller text.

THE IMPORTANCE OF STAYING IN BERLIN

Senator **Sparkman**. Mr. Chairman, while he is looking for that, I wonder if I may ask one question. I am going to have to leave even before the Secretary does.

Has it been made clear to the American people just what the importance of our staying in Berlin is? It seems to me that that is a question in the minds of a lot of people that has not been answered.

Secretary **Herter**. I agree with you on that.

Senator **Sparkman**. I wonder if something ought not to be done to acquaint the American people as to the importance of our staying in there.

Secretary **Herter**. Yes. That is the juridical question Senator Morse was speaking about in which I think our case is extraordinarily clear.

You have the secondary consideration as to what it means——

Senator **Sparkman**. The practical application.

Secretary **Herter** [continuing]. If we are pushed out of Berlin.

Senator **Sparkman**. Yes.

Secretary **Herter**. Unilaterally pushed out.

Senator **Sparkman**. Yes.

CONTINGENCY PLANNING

Senator **Gore**. Mr. Secretary, the manner of the pushing out, if any should occur, is the awkward situation. We speak a great deal about being firm. Just what are the plans, if any, that you are ready to give the committee if the Soviet Union proceeds with her plan to withdraw and allow the East Germans to take over? And suppose that 150 German police stop our convoy; what do we do there?

Secretary **Herter**. Senator, it was the next subject I was going to take up. We have been doing a great deal of planning to try to visualize various contingencies that might arise from the actions that the East Germans—and presumably it would be the East Germans after the right to control these access corridors has been turned over to them by the Russians—would take to stop convoys going through or to prevent our free right of access.

Senator **Gore**. It seems to me that their design has the diabolical purpose of placing upon the United States the onus of any overt move of force.

Secretary **Herter**. Well, the United States, or the British, or the French. All three have the same relationship.

Senator **Gore**. Yes, I speak of that. I agree.

Secretary **Herter**. It doesn't necessarily put on us the question of force. They may well prevent by force our trying to exercise our rights, which is very different from our trying to exercise our rights by force initially.

THE ROLE OF THE UNITED NATIONS

Senator **Aiken**. Is the Berlin situation technically under reference to the United Nations Security Council?

Secretary **Herter**. No, Senator, it is not. I was going to come to the role of the United Nations in this whole picture at the end of our presentation.

Senator **Aiken**. Somebody told me this morning it had been before the United Nations for the last 10 years and has never been technically withdrawn.

The **Chairman**. I don't wish to interfere with questioning, but I believe we will make better progress if we will let the Secretary proceed in his own way. Unfortunately, we have a conflict and I am sure he will be willing to come back.

Secretary **Herter**. I would be very glad to.

The **Chairman**. In order to make progress, we had better let him develop what his plans are along the lines of the question the Senator from Tennessee raised. I think that would be most efficient.

I don't want to cut anybody off, but I believe we had better do that.

THE WHOLE GERMAN PROBLEM

Secretary HERTER. This is contingency planning, and I hope you will excuse me if I don't go into the detail of it because I think our Russian friends would like to know what our contingency planning might be more than anything else.

This has continued to be explored fully, not alone with the Defense Department, but with the French and the British, and we are very close to unanimity as to how we proceed.

Naturally, in connection with the threat posed in this situation, one's mind turns to whether or not it is possible to resolve the problem by negotiation. On that the Russian position changes somewhat kaleidoscopically, so it is very difficult to tell from the many statements that Khrushchev has made at various places and times as to whether they are really willing to enter into negotiations on the question of the status of Berlin. We have also taken the position that the status of Berlin should be considered not in isolation but in relation to the whole German problem.

In the communique that was released after Macmillan's visit to Moscow, it seemed as though they had moved some distance toward a willingness to negotiate on a fairly broad front, both in a preparatory way through a Foreign Ministers' Conference, and then, one would hope, through a Summit Conference.

The Russian note, you may recall, was delivered to us just after Macmillan left, and which was shown to him just before he left Russia. They obviously had changed their minds somewhat during the course of the writing of that note. Those who have studied it carefully are convinced that the first part of the note had been written in toto—and it was pretty abusive, the usual line of attack on us—before Macmillan's visit.

Then at the end of the note there was the strong indication that they would be willing to consider a Foreign Ministers' Conference preparatory to a Summit Conference to discuss a much wider range of things than they had been willing to discuss before. They have tried to limit this Berlin thing to Berlin alone, with no relation to the overall problem of East and West Germany or a possible reunification or peace treaty with Germany.

Two or three days ago we sent a suggested draft of a reply to Khrushchev's note to our allies, in order to consolidate our position. This morning, I haven't had a chance to study it and neither has Mr. Merchant, because we were visited by a very distinguished group of freshmen Members of Congress. But from the summary that we saw briefly, some reactions to our suggestion had come in. We haven't had a chance to study them.

But as you can well realize, it is very important for us to concert our position because the firmness and the unanimity with which the West and particularly NATO speaks in this situation, entirely aside from those powers who are directly responsible for the occupation rights in Berlin and in Germany, is of the utmost importance.

KHRUSHCHEV'S SHIFTS OF POSITION

We expect that negotiations will be agreed to. That, of course, may be an overoptimistic statement. We don't know whether the Russians will overnight change their position.

I think that Mr. Khrushchev thoroughly enjoys a rapid shift of position by throwing people off base if he can, and by keeping us guessing as to where he stands on some of these very crucial matters.

But I would think, from what he has said and from the fact that he has definitely put in black and white that these matters can all be settled by negotiation, that there is a likelihood there will be a Foreign Ministers' meeting in May, preparatory to some type of Summit meeting thereafter.

In preparation for that, there is now working in Paris a Four Power Working Group—that is, the French, the British, the Germans and the United States. They are experts who are working on papers that each of the nations has prepared with respect to positions that might be taken by the Western Group with regard to the overall peace treaty with Germany and reunification of East and West Germany, and so on.

Obviously, there are a great many permutations and combinations that are to be worked out, but that group is planning to work during the next 2 weeks. We then expect to have a meeting of the Foreign Ministers of the four powers here in Washington at the end of March, just before the 10th anniversary of NATO, which is a Foreign Ministers' meeting on April 2. We hope that our positions at that point will be pretty well consolidated, and that during the course of the NATO meeting we can do, as we have done all the way through in these matters, we have concerted among ourselves. Then we have talked to our NATO friends, because from a military point of view in Europe they are all tied into the picture with NATO. All of them—Denmark, Holland, Belgium, Norway, Italy, Greece, and Turkey—have a vital interest in the outcome of any conversations. So in the consultative process we work together as closely as we can from a mechanical and time element point of view. It is not always the easiest thing to do, but it is something we feel very strongly about because here we are dealing with what may be the future of a good many countries which have a vital stake, some of them a more vital stake in the European scene than we have. We should work as close together as we can.

POSSIBLE ROLE OF UNITED NATIONS

The last matter that I did want to mention briefly is the question of the United Nations. Senator, you may be correct that there is hanging from 10 years ago some resolution that is still in the hopper.

Senator Aiken. I don't know.

Secretary Herter. Mr. Merchant tells me he has a dim recollection of it, but I don't know what form it is in. In the talks we have had with Lodge [2] it has not been referred to, so I assume he feels it is outdated as a useful element in the picture.

As of now neither the Security Council nor the Assembly have been seized—I think that is the correct term—of this problem. We can visualize a number of situations in which the United Nations might be able to play a very definite role, and what I am saying has not been coordinated with our allies. It is being discussed with them, so when I mention these I am speaking entirely of our preliminary thinking in Washington.

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[2] U.S. Ambassador to the United Nations, Henry Cabot Lodge.

If negotiations are not agreed to, and if that ultimatum date is reached on May 27 without negotiations having been begun, and it looks as though we can't agree on the basis of negotiations, the United Nations might very well be called on to examine the dangers in this situation, with a view to passing a resolution for maintaining of the status quo and initiating negotiations. I think that every nation in the world would have a very great interest in this situation's not coming to an ultimatum date without any meaningful discussions having begun.

SWORD OF DAMOCLES

The second place it might be very useful is this: Even if you start negotiations in May, the sword of Damocles, so to speak, is likely to continue hanging over our head in that the Russians are using a threat of completing a peace treaty with East Germany any day. They are saying this is a fait accompli and "From here on out you have to deal with East Germany. We turned over everything to them; it is up to them whether to stop your access or not, and you have to deal with them if you want free access."

In that event, you would have a serious situation developing in which the United Nations might well feel that to call an immediate meeting of the Security Council with the heads of States would be a way of averting an immediate crisis.

Meanwhile, however, I think the United Nations is loath to take part or get involved in a situation if they feel direct negotiation between the parties is likely to take place.

As you know, they have never wanted to intervene when they felt there was a chance of a serious problem being settled by direct negotiations, but they might play a very useful role in the event a breakdown in negotiations occurs.

That is a rather skimpy running over of the situation, but as I told you I was trying to hold it down in order to allow a period for questioning.

The CHAIRMAN. I would like to ask one or two questions, and then we will open it up.

THE ULTIMATE THREAT

Is the State Department completely satisfied as to our military posture? Do you think our military strength is sufficient?

Secretary HERTER. I wouldn't pass a judgment on a purely military question of that kind.

I think one thing that this map indicates pretty clearly is that we cannot try to fight this thing out on the ground with the Russians in the center of Europe; that that would be a booby trap of the first order. We have excellent soldiers there, but you must not forget that even with all the NATO strength there are 175 Russian divisions within perhaps 24 or 48 hours distance away from that particular scene, and to assume that we can fight a war with conventional weapons on the ground in that area does not strike me as realistic.

The CHAIRMAN. Then do you know of anything that Congress might do to be of assistance in this situation?

Secretary HERTER. Well, if you will excuse me from expressing a military judgment, because we are not military men——

The CHAIRMAN. But aren't your negotiations greatly influenced by the military situation?

Secretary HERTER. Yes.

The CHAIRMAN. Whatever your responsibility is?

Secretary HERTER. It certainly is. But I think from all that I know and have been told, and from the exchanges of information within NATO, that we are in a good position to meet what may be the ultimate threat. I cannot visualize seeing fighting this out in the middle of Europe in a limited war, but that is a personal judgment and I am not a military man.

Senator MANSFIELD. When you say the "ultimate threat," do you mean nuclear bombing?

Secretary HERTER. It would have to come to that.

NEED SOME IDEA OF THE ADMINISTRATION'S PLANS

The CHAIRMAN. I don't wish to tell you what to do, but in answer to the question of, I believe it was the Senator from Tennessee, I think the committee should know a little more about the thoughts and planning of the administration as to how we meet this contingency. I don't know how we can judge what our responsibility is if we don't have some ideas as to what the administration is thinking and planning.

I was not clear about your response. Do you feel that this is of such a secret nature you simply cannot speak of it before the committee?

Secretary HERTER. May I put that in somewhat different terms?

We have been examining the different contingencies that might arise from having our access to Berlin forcibly cut off.

The CHAIRMAN. Yes.

Secretary HERTER. And that can be done in one of two ways, as we see it: One is on land; that is, on the Autobahn or on the railroad. That could be done without force of arms, perhaps by destroying bridges and setting up blockades without firing any shots.

The other is in the air. We have the guaranteed right of free access by air. There is no way we figure they can stop our planes from going through to Berlin without shooting them down. In other words, an overt act of war on their part.

AN OVERT ACT OF WAR

If there is an overt act of war there, I don't think we can contemplate under any conceivable combination of strength that we could put together in Germany at this time, or perhaps within a year's time, sufficient strength to fight a land war around Berlin. We would have to make it perfectly clear that this is going to all-out war, if war is going to be the answer, which we naturally hope it is not going to be.

We have to make up our minds to it. As I say, I am not a military man, but I think we would be sacrificing a lot of American lives needlessly by trying to fight something on the ground when we know we are licked before we start by sheer weight of numbers and equipment.

Using the total number of divisions that are in the area, and assuming that we have some better equipment than they do, although that assumption is not necessarily justified, the total number of allied divisions there, if we tried to reinforce them by air and by sea to be of equivalent strength on the continent of Europe, to fight a conventional war without nuclear weapons, would probably take anywhere from 1 to 2 years. That has never been visualized.

AVOIDING WAR

The CHAIRMAN. Mr. Secretary, can I offer one thought of a layman? What we are interested in is not fighting, but avoiding the war.

Secretary HERTER. I fully agree.

The CHAIRMAN. There is a lot of psychology in this and if you give the impression you are not willing to do anything about it, you tempt them to move too far. I don't know whether this is worth anything, but it strikes me that psychologically, granted the 30,000 troops are not enough to turn the tide, but it is very poor psychology for this country to continue to decrease its existing forces and to give the appearance that it relies completely on atomic war and there is no intermediate stage. And it might lead them to believe we are really not serious about atomic war and that we contribute to their having a war.

That is the thought I would like to put out.

However, I don't wish to monopolize the time. I would like to give everybody at least one question, because everyone must——

Senator LONG. Might we have the Secretary's reaction to that comment?

The CHAIRMAN. I would welcome a reaction to it. I only offer that, as a layman's reaction, that it strikes me it is very bad psychology for the administration to insist upon continuing to reduce the existing forces, even if there is nothing to it except psychology or a token of our determination. Would you care to comment on that? Is that a good spot for you to be in?

Secretary HERTER. Mr. Chairman, when you get into the realm of psychology, you may be correct. Insofar as the facts are concerned on the desirability or the bearing on the outcome of our military posture of these contemplated reductions, I think that is something that a military expert ought to answer rather than that we ought to be called upon to answer.

THE IMPORTANCE OF PSYCHOLOGY

The CHAIRMAN. But you know Khrushchev's approach is to a great extent psychology. You were just saying he likes to get you off balance, to play with you like a cat and mouse. He indulges in this to a great extent, and I don't think as a diplomat you can ignore the importance of psychology. I don't think that is an irrelevant consideration; it is very relevant. It is what they believe we will do and what we are determined to do that is all-important in the prevention of it.

In the discussion of a war, that is another matter.

Secretary HERTER. That is right.

The CHAIRMAN. But I thought it was your duty, and particularly this committee's duty, to do anything possible to avoid a war and not create conditions that invite excessive bluffing or temptations to make Khrushchev think we are really not determined. I can't understand how anybody would think a country is seriously concerned about it and still proceed to cut its armed forces. It is a lack of seriousness on our part, I suppose. That, coupled with the statement we can't afford it and our spending ourselves into bankruptcy, leads the Russians to think that Americans are not serious about this matter and are not willing to spend the money to keep up an army. That is what disturbs me. The effect of the Russians' psychology on what we are determined to do disturbs me.

As citizens and as representatives of laymen, such views at least are relevant and deserve serious consideration.

Senator Green, everyone may have one question for the Secretary.

ADENAUER'S PARTICIPATION

Senator **Green**. My question will be this: How far is Mr. Adenauer, representing West Germany, consulted in these plans?

Secretary **Herter**. The Germans are represented in the working group that has been staying in Paris at the present time. I think the Ambassador to the United States is sitting in for West Germany in these considerations, so nothing is being concealed. He is being fully consulted.

Senator **Green**. Thank you.

The **Chairman**. Senator Wiley, would you like to probe him for one time?

Senator **Wiley**. Yes.

A COMMITMENT TO THE WHOLE FREE WORLD

I understand that our forces are alert all over the world, is that right?

Secretary **Herter**. That is correct. Of course, there are different meanings to the word "alert." From a technical point of view, there are different stages of alerts. But they are certainly on their toes.

Senator **Wiley**. In other words, in Italy, Spain, England, Turkey, and North Africa, the Air Force is ready to go at a moment's notice.

Secretary **Herter**. That is correct.

Senator **Wiley**. I think you have explained very clearly that the matter of ground forces isn't the issue. If the Kremlin knows that we are ready, your philosophy is that they are not going to give the signal for the balloon to go up.

Secretary **Herter**. That is correct.

Senator **Wiley**. Is that the way you feel?

Secretary **Herter**. Yes, sir. May I perhaps develop that a little bit?

Senator **Wiley**. Yes.

Secretary **Herter**. We feel very strongly on this: If we give in on the Berlin situation—it has been described by some as the beginning of the slippery slope—we will be forced to give in on one thing after another. The issue here is whether or not we are going to be pushed around unilaterally in this picture. What about the 2½ million people in the free world of Berlin that we have a commitment to?

More than that, it is a commitment we have to the whole free world to try to hold it together.

The **Chairman**. Senator Mansfield?

Senator **Mansfield**. I have asked my quota, Mr. Chairman.

The **Chairman**. Senator Hickenlooper?

REDUCTION OF TROOPS

Senator **Hickenlooper**. Mr. Secretary, in regard to the reduction in numbers of troops, I think it is fair to assume that the Russians know substantially what we have, and that the reduction in the number of troops will not materially reduce our strength, especially based on the fact that we don't need as many men to deliver many times the power as we needed a few years ago.

I understand that you feel that if it came to military action of some kind in connection with West Berlin, it would have great possibility or probability of becoming an all-out war.

Secretary **Herter**. I do.

Senator **Hickenlooper**. There are a lot of questions I would like to ask you, but that is the one question I can ask.

The **Chairman**. Did you finish?

Secretary **Herter**. May I perhaps say one word in that connection?

The **Chairman**. Yes.

Secretary **Herter**. This is very confidential, and if you would allow me, this is off the record.

The **Chairman**. Off the record.

[Discussion off the record.]

The **Chairman**. Senator Lausche?

THE GRAVITY OF THE PROBLEM

Senator **Lausche**. I just want to make this observation, that our greatest responsibility from the standpoint of the executive branch and the legislative is to acquaint the people of our country with the gravity of the problem confronting us. How we are to do it, I don't know, but I believe a grave responsibility rests upon us. Strangely, out in Cincinnati one of their editors came to me and I asked him, "What is the most critical problem being discussed in Cincinnati?"

[Discussion off the record.]

Senator **Lausche**. I think we ought to get together and go throughout the country delivering the message of the gravity of the problem facing us. We are blaming the State Department, the Army, and the military wholly, without the public being at all conscious and rising up, and sending us the message of what should be done.

That is all I have to say on it.

Secretary **Herter**. I may say we are very conscious of that situation.

Senator **Lausche**. I am not criticizing you at all. I think it is our blame, just as much as anybody else's.

The **Chairman**. Senator Langer.

THE RUSSIANS ARE UNPREDICTABLE

Senator **Langer**. Mr. Secretary, we have been on the brink of war three times with Mr. Dulles. Don't you consider this any more serious than those three times? Can it be settled by negotiations?

Secretary **Herter**. Senator, if I could read the crystal ball and know what was in the minds of the Russians, I would be able to answer that. The Russians are unpredictable. We are dealing with a leader in Russia who is volatile and unpredictable. The choice is not always ours, and I wish I could answer that specifically.

Senator LANGER. What is your hunch on it?

Secretary HERTER. My hunch is that negotiations will take place. I don't think the Russians want war any more than we do.

On the other hand, if they think we do not want war to a point where we are going to back down, we are much more likely to get war.

Senator LANGER. Just one more question, Mr. Chairman.

In case we have war, what is your information as far as the satellites of Russia are concerned? Can we look for revolution in any of them?

Secretary HERTER. I imagine it would depend a great deal on the extent to which the strength of Russia was damaged in the early stages of the war. If they felt they could get away with it without being overrun by Russian troops, I think we would find reactions coming very fast.

The CHAIRMAN. Senator Morse, any questions?

CIRCUMVENTING THE POWER TO DECLARE WAR

Senator MORSE. Mr. Secretary, under the Constitution, Congress alone has the power to declare war. Is there not a very real danger that this Congress at this very moment finds itself in a position in which the State Department and the military are following a course of action in secrecy so far as the Congress is concerned, and we are likely to wake up and discover we are at war, and that once again the power to determine war has become a meaningless section of the Constitution?

Secretary HERTER. Senator, I am sure there is no intent on the part of the Executive to try to circumvent in any way whatsoever——

Senator MORSE. It is apparent from your testimony this morning that you keep from us what any war-declaring body ought to have in order to exercise its constitutional power. Unless we know what you are not disclosing to this committee, you are, in effect, circumventing the power to declare war under the Constitution.

Secretary HERTER. May I say this, Senator, and repeat what the President has said: We are not going to fire the first shot in this situation.

READY TO DROP THE FIRST BOMB

Senator MORSE. But you raised the moral issue in your testimony that was so shocking to me that I am aghast. Apparently you are ready, without reaction and the approval of the people of this country, to drop the first atomic bomb. In my judgment, when we do it we will win a war and America, in terms of history, will destroy itself. It is completely immoral, more immoral than the use of poisonous gas—which at least we haven't used—and that is the issue that neither this committee, Congress, nor the State Department, in my judgment, is facing up to.

Secretary HERTER. I was not conscious that my testimony carried out exactly that implication.

Senator MORSE. You had the question put to you by Mr. Mansfield. It would mean nuclear war.

Secretary HERTER. All I said was that we ought to be prepared for it.

Senator MORSE. That is the issue; we ought to be prepared for nuclear war. That is the question we ought to be deciding now, and if we are not discussing it, then I think you gentlemen in the State Department and in the Pentagon, in some of your courses of action, ought to be stopped cold.

The **CHAIRMAN**. Senator Aiken?

AID TO SOVIET SATELLITES

Senator **AIKEN**. In this war of nerves, why don't we attack the Communists with their own weapons? Why doesn't the administration ask Congress for the right to assist the satellites in the event that any of them try to break loose from the Communist orbit—Poland, Czechoslovakia, Hungary, or any of the others. If I were a Russian official I would be more fearful of that movement than anything else; yet last year Congress declined to give the President authority to help the satellites if any of them tried to break away, and the administration doesn't make any move to correct that.

Therefore, we are giving Russia the assurance that we are not going to help Hungary or any of the other satellite countries if they try to break away.

Why don't we do something about that? It should be done.

Secretary **HERTER**. I think, Senator, that is something we should give very serious thought to.

Senator **AIKEN**. It should be done right away.

That is all.

The **CHAIRMAN**. Senator Gore?

HOW CAN WE BE FIRM?

Senator **GORE**. Mr. Secretary, assuming for the sake of my question, one, our own incapacity and disinclination to use force on the ground in central Europe; two, our inability to supply the economy and the vital needs of a going community in Berlin by air; and three, the ability, as you have outlined, of the East Germans in the event of a Russian pullout to disrupt both rail and ground communications by either the destruction or the repair of bridges:

How can we be firm? How can we maintain our position and not fire the first shot?

Secretary **HERTER**. There again is something that has been given a great deal of thought from the point of view of contingency planning.

If we are stopped by means other than on the ground, by means other than shooting—let's say it is done by the jamming of the safety system in connection with the Templehof Airway so that it would be dangerous for planes to fly because there would be no control of traffic—let's assume it is done on the ground by the destruction of bridges. We would not try, as we now envisage the situation, to shoot our way through. We might try to rebuild a bridge or probe the firmness of this action.

As I indicated earlier, in the event of their taking that kind of a firm position, we would certainly be taking this matter to the U.N. immediately, possibly even to the Court. There is some study of the possibility of going to the Court, the redefinition of our rights, at that stage of the game.

Only if we tried to assert our rights more strongly and they didn't do the jamming, if they tried to shoot us down from the air, we would consider that an act of war. We would try to get this resolved, if possible, through international means. If we couldn't, we would have to determine our course at this point.

Senator GORE. Thank you.

The CHAIRMAN. Thank you very much, Mr. Secretary. We may ask you back at a time when you are more at leisure, if that is agreeable to you.

IMPACT OF MOBILIZATION

The CHAIRMAN. Go ahead, Senator Carlson, if you would like to ask Mr. Merchant a question.

Senator CARLSON. If you don't mind, I would like to do a little thinking out loud about your comment on psychology.

We are all concerned about it, and since you made your statement about the psychology among the nations of the world as to whether or not we should expand our preparation for defense or war at this time, I wonder if the reverse might not be true. If we begin mobilizing here, Russia might easily be in position to say—other countries over the world where we really are accused of being a nation that is interested to get other countries—we talk about peace, but after all we are accused among the nations of the world of being a warmonger nation, which is not true.

I wonder if the reverse might not be true, if we start mobilizing——

The CHAIRMAN. If you are commenting on my statement, I was only saying to not further decrease what we have. I didn't put the question of mobilization. The first question is, do you approve of further discharging from your existing forces 30,000 between now and June 30?

Senator LONG. That was in the Marine Corps.

Senator CARLSON. I was not quarreling with the chairman, but thinking out loud.

The CHAIRMAN. Think about that first before you think about mobilization.

REDUCING, NOT MOBILIZING U.S. FORCES

Senator CARLSON. Increasing our forces makes a good headline. We are getting prepared and we are all set to go. I am just thinking out loud. I don't know.

The CHAIRMAN. Keeping 900,000 is a long way from mobilization. That is all I was raising.

Senator CARLSON. I was not criticizing what you said, but just trying to react; after all psychology is important, and it works both ways.

I trust the chairman doesn't feel I was critical at all; I was just thinking out loud. I don't know what we can do.

The CHAIRMAN. You can be critical. I don't mind people disagreeing with my views about it. We are trying to reach as common an agreement as we can as to what the proper course is. But the Senator from Ohio says that the people in his State are interested in the local issues.

What I say is, if they read in the paper that with the full authority and approval of the Government we are not mobilizing, but reducing our forces, it seems to me that normal people say, "There certainly isn't any danger now; why would we get excited if those people who are up there in Washington on the Foreign Relations Committee talk to the Secretary of State and they are not excited about it, and the President isn't, and they can decrease it." I think ordinary people would sit back and say, "We certainly see no need to get excited about it if they are not."

How do you think your people back in Kansas would interpret it? That is the point I was trying to make. I may be wrong about it.

Senator **Carlson**. My thought is out in Kansas. If we were going to extend the draft, and not reduce our defenses—we might even increase them some—we are going to give the impression that we are all set to go, and which we have become. I am not one of these people who want to back up; I don't think we can afford to back an inch. But I don't want the countries in the world to think we are the aggressors, and that is what I think we have to watch.

RISK OF SOVIET MISCALCULATION

The **Chairman**. Mr. Merchant, do you wish to comment on that?

Senator **Carlson**. I just threw it out because I was thinking out loud.

Mr. **Merchant**. I will make this comment, Mr. Chairman:

As Secretary Herter said, it is not our intention to fire the first shot. What we are concentrating our effort on is to prevent a war. If a war comes, it is going to be forced on us. It is going to be forced on us in circumstances and in an area where, in our judgment, the ultimate consequences of our evasion of a war forced on us would be catastrophic.

It seems to me that one of the essential elements is being clear in our own minds that if we—our forces or our allies' forces—are attacked, in retaliation against such an attack we are going to use all the weapons in our possession.

There is this element, sir, in the question of numbers of men. We have many difficult problems, and delicate ones rolled into one terribly grave problem.

The first one, which hasn't been mentioned and I think we should have in mind, is that if we were to take steps which indicated that if we were forced into hostilities we would limit ourselves purely to a ground or limited defense, you have to take into account the risk of a Soviet miscalculation on such an estimate were they to arrive at it. It may have the effect of producing a greater willingness to take risks on the part of the Russians.

[Discussion off the record.]

Mr. **Merchant**. Another aspect of this problem, apart from attempting to avoid a Soviet miscalculation which would increase the risk of war forced upon us, is the question of our allies. I don't see how we could conceivably fight a war of defense in Europe without our allies. Our allies look to us for leadership, for firmness, and for guidelines. Some of them are more timid than others, and we have to take into our calculations what effect our actions will have on their firmness and will.

There is a question of degree here, sir. I appreciate that, but I would like to emphasize those things. If war comes it will come by an attack on us or our allies. Then we have to be prepared and to have made up our minds in advance that we will retaliate with all the weapons at our capacity; and the Russians have to be assured of firmness and will on our part. If they are satisfied on that judgment of our intentions, our will and our purpose, then I think the risk of war diminishes in direct proportion.

THE SOVIETS DO NOT WANT WAR

Our best estimate is that the Soviets don't want an all-out war. If they are satisfied that if they step over the line, whether by shooting down an airplane or slaughtering a patrol, or a body of men on the ground, we are prepared to retaliate with everything we have, then we think the chances are overwhelming that the Russians will go to the brink and pull back.

The CHAIRMAN. You don't think we are bluffing at all; we are firmly convinced in our own mind that we would respond to any kind of attack on a convoy with an atomic bomb? Is that the firm decision of the Government?

Mr. MERCHANT. Sir, I can put it this way: I think it is the firm conviction of the Government that if we are attacked, we would be prepared to retaliate with force.

I don't think you can look too far ahead and prejudge in precise terms exactly what the situation would be, what the weight of the attack on us might be, what the immediate response would be. You can't see all that would be going on in terms of development of diplomatic pressures, public opinion and propaganda, and other pressures on the Soviet Union under those circumstances.

I don't think one can reach the final conclusion or reaffirm a judgment of the fateful issues until one faces the circumstances. We have consultation with our allies to consider, and the necessity of reviewing the exact situation and circumstances as they develop.

CONTACTS WITH PRIME MINISTER MACMILLAN

Senator LAUSCHE. Mr. Chairman, may I ask one question?

The CHAIRMAN. One last question: Has the President communicated directly with Mr. Macmillan since he returned from Moscow? Has there been any concert on this or has he——

Mr. MERCHANT. I find a little difficulty, sir, in commenting on the President's correspondence. We have been in close and daily touch with the Macmillan government since his return, and he is coming here, as you know, sir, next week.

The CHAIRMAN. Do you think there is any serious difference of view between the President and Mr. Macmillan?

Mr. MERCHANT. On fundamentals, I don't think so, sir. There is going to be the opportunity for close and intimate give and take which is possible only in personal contact, which will develop next week when he comes here.

The CHAIRMAN. You never did get a chance to ask a question, Senator.

LACKING A DESIRE TO WIN

Senator LONG. Mr. Secretary, from what I have heard about this, it looks to me as though we are lacking in a desire to win this struggle. I don't see how we are going to win without it.

If you compare our industrial production in 1953 against 1958--these are the administration's figures—we are now exactly where we were in 1953. According to our best estimates on what she has done, Russia is twice as strong industrially as she was 5 years ago. Against this we are telling our people that they can afford to throw away an extra $2 or $3 billion in a high interest rate policy, but that we can't afford what our own Chief of Staff of the Army, Chief of Staff of the Air Force, and Chief of Naval Operations say is necessary, we are going to have to make some concessions; and your proposal here is that we go into negotiations recognizing that the only thing we have to resort to is to resort to a war of extermination with thermonuclear weapons, and that we apparently can't meet any other threats short of that, besides going to the United Nations.

If that is all we have we might as well go ahead and make plans for a gradual backdown, because as far as I can see we are going to have to make some concessions out of these negotiations.

The Russians get something and they keep doubling and increasing their strength compared to ours.

Where does it all end up besides in our becoming so completely inferior that we dare not fight under any conditions?

Mr. MERCHANT. Senator, the rate of increase in heavy production in Russia at an annual rate is in excess of ours; that is true, of course. The base from which it starts——

Senator LONG. Didn't their industrial base double within the last 5 years?

Mr. MERCHANT. I was not aware it had at that rate. Doubling in 5 years would be at the rate of 15 percent a year, or thereabouts.

Senator LONG. That is what we are speaking of, industrial production. She is not doing that well in agriculture.

Mr. MERCHANT. Her rate has not been as high as 15 percent; it has been more on the order of 7 percent, overall.

Senator LONG. I believe your estimate is 7 percent overall.

Mr. MERCHANT. Yes.

Senator LONG. But if you look at what is happening industrially, she is far better than that. They are not doing as well in agriculture, but industrially, I believe you will find that that is about their increase in overall production.

I have those figures and I will be glad to make them available.

Mr. MERCHANT. Could I comment quickly, sir?

Senator LONG. Yes.

Mr. MERCHANT. The point I wanted to make was that the base from which they start is way below us. I grant you this difference in the rate of increase is a very disturbing one. You have got to add also to our base——

STEEL PRODUCTION

Senator LONG. Do you know, for example, where we stand on steel as of now?

Mr. MERCHANT. In general terms, yes, sir.

Senator LONG. Where would you estimate?

Mr. MERCHANT. Our capacity is something over 100 million tons a year.

Senator LONG. What are we producing?

Mr. MERCHANT. Our present rate, I guess—and I haven't looked at the financial paper recently—is on the order of 70 million tons a year.

Senator LONG. What is your estimate of theirs?

Mr. MERCHANT. My recollection is—and I would like to check the figure—between 40 and 50 million tons a year. Then if you throw in the European complex, the coal and steel community, plus Great Britain, and even if you add to the Soviets the very limited steel production in China, and the steel production in the eastern satellites, I think the margin is even greater for the West than against the whole bloc.

Senator LONG. Yes. Now let's pin it down to how much of it is going into their weapons and in military equipment against ours, in terms of tons. Do you have any estimate on that?

Mr. MERCHANT. I don't have the figure in my mind. I know it is a higher proportion of their total production.

Senator LONG. Would you guess that they are putting more than we into tons of steel for arms?

Mr. MERCHANT. I would guess it would be very close.

Senator LONG. By the time they double again, as little as they are giving their people, they would be in position to maintain an enormous superiority over us in all kinds of weapons, would they not?

Mr. MERCHANT. Yes, that would follow from the proposition.

REACTION TO A LIMITED ATTACK

The CHAIRMAN. Mr. Merchant, do I understand you to say that the Allies, particularly England, agree with the views that you have given us as to our reaction against an attack by, say, a patrol of East Germans on our forces? Do they go along with this?

In other words, regarding the use of force in any degree by either Russia or East Germany, do the Allies agree that our retaliation should be all out?

Mr. MERCHANT. I didn't intend, sir, to leave the impression that the response to a limited attack on a limited Allied Force would be an unlimited response.

The CHAIRMAN. That is the impression I did get. What did you mean, then? I would be very glad for you to clarify it.

Senator MORSE. If you check the Secretary's statement, you can't reach any other conclusion.

The CHAIRMAN. Well, maybe I overstated it. He ought to have a chance to clarify what they mean.

Mr. MERCHANT. As I understood the Secretary to say on the record, the response would not be an unlimited response to a limited probe.

The CHAIRMAN. We would like to hear what he did say, then, what he said or should have said, either way you want to put it.

Senator AIKEN. Mr. Chairman, may I ask a question? I don't understand that you would consider an isolated attack by a group of East German or Russian soldiers upon an American convoy to be a reason for launching an all-out war.

Mr. MERCHANT. No, sir. I didn't say that.

Senator AIKEN. I said I understood you not to say it.

But if that attack was part of a clearly defined picture to force us back over the wall, then it would have a different meaning, and warrant a different sort of attention.

Mr. MERCHANT. That is correct.

Senator AIKEN. You would not consider an isolated attack of a few Germans or Russian soldiers as being a war involved?

Mr. MERCHANT. No, sir. That is what I meant to say, and that was the impression I intended to leave.

I believe the expression of Soviet willingness to engage in an all-out war with us would involve more serious attacks than an attack on a convoy or a small body of troops.

A DELIBERATE, NOT ACCIDENTAL ATTACK

Senator AIKEN. If it were part of a very evident plan to drive the United States not only out of Germany, but out of Europe and everywhere else in the world, it would warrant being met with full force that we were able to present.

The CHAIRMAN. Senator Aiken, I think it is very difficult to go into the motives of the people who are attacking, but a very simple case would be that to obstruct the entrance of a convoy, they just line up and they say, "You won't pass." They don't say, "We are now undertaking to drive you out of Germany. We are saying you can't go any further along this road."

That is what they are saying. I understood if they deliberately do that, and it will be not accidental but deliberate, then our response would be an all-out attack.

Mr. MERCHANT. No, sir.

CLARIFY THE RECORD

Senator LAUSCHE. I don't think the Secretary said that.

The CHAIRMAN. I want him to clarify that.

Senator LAUSCHE. My recollection is that Secretary Herter said that the only way they could commit an overt act would be to shoot at our planes; there could be no overt act on the land.

The CHAIRMAN. Oh, no.

Senator LAUSCHE. He said their acts would be to stop movement, break down bridges, but there would be no firing of guns.

Senator MORSE. The record will speak for itself. I couldn't disagree more with the Senator from Ohio as to what the Secretary said.

I just told Mr. Marcy I want this transcript unedited.

The CHAIRMAN. While we have Mr. Merchant here—and I certainly don't wish to confuse anybody—I would like him to have an opportunity to clarify the record and then we can compare what he said after a very careful consideration of what was said before.

I want to try to understand this. This is the difficult question for me, and I get very puzzled about what the proper approach is.

I wouldn't speculate about how it would develop, but I think it probable that eventually we would have a convoy going along the Autobahn, that they stop it with a brigade of soldiers saying you shall not pass until you do something, or maybe saying you shall not pass at all.

What do we do? This is another very difficult question; I don't minimize its difficulty. But what is the plan of the Department?

Mr. MERCHANT. Mr. Chairman, if the Soviet Union or the GDR uses forcible means to prevent our free movement on the surface or in the air, having ascertained that they are willing to use force to prevent us—I believe the record will support my having said this in different words—I think then you have to take a look at all the surrounding circumstances and other indications as to intent, and then decide the nature of your response.

Certainly I don't think, from what Mr. Herter or I said, that the record would warrant the inference that there was any thought of dropping atomic bombs the first time a truck is stopped by forcible means on the road.

Senator HICKENLOOPER. Mr. Chairman, may I ask a question?

The CHAIRMAN. Senator Hickenlooper.

THE PREMISES ARE NOT CLEAR AT ALL

Senator HICKENLOOPER. Mr. Merchant, you are dealing with a situation that is unpredictable in many ways. There are many things that can be done.

As pointed out a while ago, bridges can be blown up to block the highways to which we are supposed to have access. If they are, maybe we can go through on the railroad. If they block the railroad, we have the air. It happened once before in the Berlin airlift. Nobody knew for certain what we would do.

There are people who said, "We will put tanks through on the highways and armored trains on the railroad and we will shoot our way through."

Other people said, "No."

A solution was found so far as the air was concerned. The airlift went through, and that situation was resolved without shooting.

Even if an attempt was made to block the airways, either by destroying radio control or even by armed action, there still might be ways under the circumstances in which this situation could be resolved without getting into a shooting war.

But this is a situation in which we can't predict with accuracy either what the Russians will do so far as East Germany is concerned, nor what the East Germans would do if the Russians de facto turned over complete sovereignty to East Germany and said, "You have sovereignty over the airways, the railroads, the highways, and everything else."

I think you are being asked to give answers to questions of which the premises are not clear at all, and nobody can clear those up.

You have another alternative. If it got to the point where the Russians completely made an all-out attack on us, that is a horse of a different color again.

We are on extremely dangerous ground here in discussing what the war plans of the United States are in this committee. On the record, I think it is one of the most dangerous things that I have heard in a good many years here, to attempt to draw out what are we going to do under this circumstance or that. That is the one thing the Russians would like to know, and I think in the long run that those questions cannot be answered because the circumstances of the moment and the diversity of the possibilities are so great that we have to meet those as they come up. Meanwhile, we must rest assured, if we can—and some are not assured; I happen to be—that our military posture and strength is increasing every day, and that it is in effect sufficient to meet all contingencies, as bad as they might be ultimately.

I don't know how we can discuss what we are going to do because we don't know what they are going to do. There are so many factors involved here. That is the way I feel about it.

A WAR OF EXTERMINATION

Senator Long. Mr. Chairman, might I just make this statement: Mr. Merchant can comment on this if he wants to, but it seems to me we are in a position in which the Russians have told us that they are going to put the pressure on us. We know the pressure is on. This certainly may not be the last showdown, but right now it looks like a big one; and for the record, they know our response. Thus far, our response is to go forward with the 7 percent cutback in the effective ground force of our infantry at the very time they are talking about cutting off our land access to West Berlin.

You are talking about the effect of that on our allies; I assume we expect them to carry out parallel action, and rather than call reserve divisions to the colors and get ready now, we expect them to be cutting back, too, just exactly opposite the way Disraeli conducted himself during the previous century when he had all the men, ships, guns and everything ready. If Russia wanted war, she knew those people were ready to go in every respect.

But it looks like we are just telling these folks that the only thing in the world we can do is resort to a war of extermination which we would only do as absolutely the last resort. I mean, we have got to justify that to our own people and to others.

A citizen wrote me yesterday and said, "My goodness, don't talk about any thermonuclear war. Let's just build another Berlin at our expense rather than destroy the whole world." And that is the way some of our people will be thinking by the time we get down to those desperate means, won't they, Mr. Merchant?

Mr. Merchant. Senator, my understanding is that our forces in Germany and on the Continent are first-class forces, and——

Senator Long. Where is the reserve to back them up? That is going to be reduced by 50 percent between now and the showdown date, as I understand it.

Mr. Merchant. I don't feel competent, sir, to answer questions on military aspects.

Senator Aiken. Mr. Chairman, I don't think the witness should be required to answer the questions.

The Chairman. He can say he won't answer.

Senator Aiken. The State Department doesn't have the responsibility for the cutbacks.

The Chairman. He can answer that he don't know, or he doesn't want to answer. He is a free agent. He can say what he wants to. I would like to make one observation.

Senator Aiken. He shouldn't be expected to answer those questions.

WE CANNOT AVOID DISTURBING THE COUNTRY

The Chairman. There are many ramifications to it. The Senator from Iowa says, in effect, we shouldn't discuss this sort of thing.

Just yesterday the committee in the House reduced the President's request for foreign aid from $225 million to $50 million. In other words, they almost eliminated it, and even that is not certain. This all makes a pattern.

We can't have it both ways. We can't avoid disturbing the country; you can't keep cutting arms and then expect us to come along and vote foreign aid or taxes, or do any of the other things that will strengthen this country. You can't have it both ways.

If we are to sit here and say, "Well, everything is fine, we don't even need the troops we now have, we are going to cut them out, and we don't need as much money as we have already appropriated, it is a billion dollars the administration is not using that has been appropriated," it is perfectly logical to cut down foreign aid and everything else. Our allies will take the same attitude.

How can England get excited in keeping up her armament, which is more expensive relative to her ability to support it, when she sees us cutting down?

These actions have many ramifications which finally make the total posture, or determination of the country. I think it is significant.

I imagine you are going to want this committee pretty soon to assist the Department in passing a bill authorizing nearly $4 billion.

Well, you are in a weak position if in the meantime you say it is not really serious to bother about it much, because if they make a move we will drop a bomb, and that is the end of that.

I mean, it does make a kind of a pattern of the attitude of the whole Nation, and all these things fit together.

NEGOTIATING IN THE BLIND

Senator LONG. I certainly hope somebody thinks about some of these things.

One of the greatest tragedies of the last war was at Anzio. They sent the rangers in to take Cisterna, and we were supposed to be backed up by a tank division to take Cisterna before the rangers were there; but the rangers were told to move while the tanks were still on the amphibious craft, and they were exterminated.

I hope you know what you have to know about these negotiations instead of negotiating in the blind, because my guess is that your opponents are going to know what they have to back them up.

The CHAIRMAN. You do not have to answer anything if you do not wish to, Mr. Merchant. You know that. Do you wish to make any comment?

Senator LAUSCHE. What is the question? Let us find out. I think when we put a question we ought to put a question without prefacing it with 15 or 20 minutes of arguments.

Senator GORE. It was not a question. It was a statement.

The CHAIRMAN. Senator Morse may have the floor.

A DISCUSSION OF POLICY QUESTIONS

Senator MORSE. I only want to say this. The Secretary can comment on it. It relates to what Senator Long, Senator Hickenlooper and Senator Fulbright have to say. I associate myself with the chairman's point of view. This is one of the most helpful Foreign Relations Committee meetings we have had for some time, because we are dealing with our responsibilities when we discuss these matters at this session.

I agree with Senator Aiken that you cannot expect Secretary Merchant to be giving us information which we ought to obtain from the Pentagon in regard to military facts; but we have an overall policy question which we have to discuss if we are going to really carry out our constitutional function of advice and consent and get ourselves in a position of knowledge so that we can exercise intelligently the War Clause of the Constitution.

I certainly want the record to show my respectful dissent to the observation of my friend from Iowa. I am not asking for the war plans of this Government. But I am asking for a discussion of policy questions, which the Congress, in the last analysis, has the right to determine.

When the Under Secretary of State sits before me as this record will show Mr. Herter did, and discusses the situation which may come out of Berlin, and indicates, as he clearly did, that the State Department's attitude at that point is nuclear war, that State Department ought to be instructed by the Congress as to what the policy of the Congress is on the controlling question of whether or not we are going to get into a nuclear war.

That is a matter in which the American people have some right to say, not for the State Department to determine; and in my judgment you will have a hard time, if you get the facts out to the American people, supporting any program which ends with a nuclear war until you follow some other programs first. I quite disagree with the other section of Mr. Herter's testimony this morning that we are going to wait on the United Nations. What we ought to be doing is exercising some influence on the United Nations now to get them in before May 27, not afterward.

Senator LAUSCHE. May I say something on that?

The CHAIRMAN. The Senator from Ohio has the floor.

NO ALTERNATIVES

Senator LAUSCHE. I thought Mr. Herter said that before there would be any thought of doing anything—he did not put it in those words—they would want to go to the United Nations, and that if there had been no understanding reached about negotiations, they would go to the United Nations. And further, to me it looks like a dilemma: To the extent that we are ready and alert, we are wrong, because we are rattling sabers. To the extent that we are reducing our forces, we are wrong because we are giving encouragement.

What the happy medium is, is most difficult to ascertain. And I will put a question.

Have you given thought to what would be the alternative to the plans which have been suggested, what other course could you follow?

Mr. MERCHANT. I do not see, sir, that essentially we can follow any course other than which we are pursuing, taking for granted the fact that it is impossible to foresee the exact nature of circumstances that we may face, and that one can have, I think, only certain basic principles, those you guide your conduct by. I think the full weight of Mr. Herter's testimony will support the proposition that we believe the Soviets are facing us with a most serious threat designed to drive us out of Berlin or make it impossible for us to remain there, with the ultimate consequence of destroying our influence, breaking up NATO and driving us out of Europe.

This is the course, it seems to me, that they are trying to pursue.

Mr. Herter stressed that in reacting to this artificially contrived crisis over Berlin which the Soviets precipitated last November, we are seeking, first of all, to resolve it by peaceful measures. We are attempting to engage the Soviets in negotiation. We will pursue that.

We may well resort to the United Nations as another means of negotiation and achieving a peaceful solution. We have taken the position, however, which was taken in December in the first instance by the British and the French, the West German Government and our Government in December, that first, we cannot accept a unilateral abrogation of an agreement in which certain rights and obligations accrue to us.

Second, we will maintain our presence in Berlin and our rights of free access.

And third, we will not accept the GDR in substitution with respect to those rights for the Soviet Union. That was supported and endorsed by the NATO Council unanimously, and that remains our position.

TRAPPED IN A GROUND WAR IN EUROPE

The second point which emerges is that the Soviets would most like to trap us in a major ground war in Europe.

Senator **Gore**. Do you really think that is what they would like?

Senator **Hickenlooper**. It is what they have been after for years in their program, no question about that.

Mr. **Merchant**. I do not think the Soviets have the slightest moral scruple over gaining world domination, which would mean the domination of Europe and the domination or destruction of the United States, by force, if they could get away with it.

If they can get it without a war, by subversion, cheaper, all right; but if they think they can get away with it with a relatively cheap war, certainly there isn't anything in their philosophy or policy which would deter them from using that means of achieving their long-term objective.

I would like to repeat that in any war the Soviets will fire the first shot. The circumstances of the response obviously will have to be considered at the time they use force to prevent our peacefully exercising our clear rights. But if the Soviets are going to force major war on our allies or on us, then I think to renounce the use of every retaliatory weapon in our arsenal would merely encourage the Soviets to take risks and, indeed, possibly to engage in hostilities.

Senator **Long**. You do not mean "every." You mean "any." You mean to renounce the use of any retaliatory arms.

Mr. **Merchant**. Yes.

Senator **Hickenlooper**. Mr. Chairman——

The **Chairman**. Let us have a little order now. I believe the Senator from Ohio started this, and then I will recognize the Senator from Iowa. Go ahead.

USE OF NUCLEAR WEAPONS

Senator LAUSCHE. According to your understanding, is there a purpose to use nuclear methods of war at the first sign of intransigence on any of the lines?

Mr. MERCHANT. Certainly not, and I really do not think anything on this record would warrant that deduction.

Senator LAUSCHE. At this point, I want to include in the record these notes which I made.

Mr. Herter said there may be pending in the United Nations a resolution started 10 years ago. Then he said if negotiations cannot be started and the ultimate date, May 27, is being approached, we may go to the United Nations.

The United Nations may be loath to enter it if prospects for a program of negotiations can be worked out.

Then he said we cannot fight it out on the ground. Air power and other equipment will have to be used.

But I do not think he said that it will be used at the first sign of intransigence on the part of the Soviets.

Mr. MERCHANT. I know he did not. I am sure he did not.

The CHAIRMAN. The Senator from Iowa.

DISCUSSIONS OVER NATO

Senator HICKENLOOPER. I just want to discuss history a little bit.

When the NATO organization was set up, a number of us were on this committee. We recall the discussions. The discussions centered very importantly on the fact that we must not put ourselves into a position where we have our eggs in one basket on the Continent of Europe.

We discussed the resiliency of the United States, its strategic and geographical location, the fact that we had to reserve the right to use such methods and means for the common and mutual defense as seem best at the time, and one of the worst things we could do would be to commit ourselves to a land war in Europe with the Russian masses of troops.

That is the way it appeared at that time.

That has been the difficulty which has confronted us all the time, even in the early days, with the so-called strong points in Europe. No one contended that we could hold those for an indefinite period under the circumstances; the most reasonable thing was that it could be a great deterrent, and perhaps eventually, with the progress of the military action, we might be able to hold, but we should keep ourselves in a position where we did not commit all of our strength at that point.

THE AGGRESSOR HAS DEFINITE PLANS

There is a second thing which I think is very important. We are dealing, and are bound to deal, in the dark to some extent. The aggressor, if he has definite plans for aggression, always picks the time, the place and the method by which he will attack, and he very carefully conceals from the other fellow exactly how he is going to do that. So the other fellow has to be quite versatile in his ideas of how he might meet this situation or that one, and they are bound to change from time to time.

The aggressor had, as the Germans did, a plan for years, as to exactly how they were going to attack. Nobody knew whether they were going to carry that out or not, but they did eventually in World War I, very successfully.

But the aggressors always have within their control—because they are aggressors and they have plans for aggression and they have a definite objective in the aggression—how and when they are going to attack. That is why we are in the dark.

We are not aggressors. We have no plans to seize or conquer any other territory. We have no military plans by which we will subject another nation to our will. Therefore, we are under a great handicap, Mr. Chairman, and our plans have to be versatile. We cannot concentrate on one operation.

KHRUSHCHEV'S LATEST PROPOSAL

The CHAIRMAN. I wonder if we could, before we recess, get an idea of your reaction to this latest proposal of Khrushchev on a free Berlin manned by—well, you know what they are. I need not repeat them. Do you or the Department have any views on that?

Senator LAUSCHE. What was his proposal?

The CHAIRMAN. It was in last night's paper. In his last speech he made a slightly different one, but he went further than in any other, saying he would consider, in place of our troops, a four-power group of troops or contingents, United Nations troops or other neutrals rather than those from any of the big powers, as an alternative.

Also, what would be your reaction to guaranteed access?

Mr. MERCHANT. Anything I say would have to be tentative, because we have not yet gotten the full text of the statement.

It does seem to be a considerable shift from what they said originally or recently, and it is difficult to appraise the purpose of these constant slight shifts, movements, in his position which he makes at a cocktail party or a rally.

They obviously do not have the same status as a formal statement in a formal communication or note. But with that preamble, I would say this: As I understood from the newspapers, this proposal would involve putting West Berlin under four-power occupation or under four-power occupation with a U.N. armband.

On the first aspect of that, we are not asking the Soviets to stay in occupation of East Berlin. All we are saying is that we are delighted to see them get out of East Berlin, and we want to make sure that the rights of access which the Soviets undertook to assure to us are not impaired by their withdrawal from an occupation status.

I think it would be undesirable to introduce, under any guise—this is my immediate reaction—the Soviets into a share in the running, supervision or control of West Berlin in which they have had no status from 1945 on.

As for the U.N. armband, which was not a very precise proposal as I understood it, there is one factor in this situation which we have to keep constantly in mind, and that is the courage, the attitudes, the faith of the West Berliners themselves, and the West Berliners realize, I think rightly, that it is the Allied forces and primarily the presence of some United States troops in West Berlin which have given them security in the past. They believe only that would provide them security in the foreseeable future as long as they are surrounded by a hostile regime.

A U.N. GUARD, OR FORCE, OR REGIME

When one gets into considering U.N. solutions for Berlin, one also has to bear in mind and get fairly precise as to what is meant by a U.N. guard or a U.N. force or a U.N. regime or administration.

The U.N. is not a corporate body in itself. It is the sum total of its members expressed in their actions and commitments in the Security Council and in the General Assembly. If a U.N. body were contemplated for West Berlin for any purpose or in any form, one would have to know first whether it was going to be a creature of or report to the Security Council.

If so, it obviously would be subject to veto by the Soviets or in the General Assembly. This is a complicated problem also, and realizing that this is likely to be a long, drawn-out cold war, one has to look ahead at the staying power of U.N. forces which have been given a policing or regulatory mission.

The shooting in the Korean War stopped only a relatively few years ago, but the United Nations Command has pretty well dwindled down, so far as any strength goes, to the United States forces in there.

The U.N.E.F. in the Middle East is already showing some signs of disintegration at the most crucial point of the crisis. It may be years before the Soviets will be prepared to accept the reunification of Germany with all the implications for them and their policy and their relations with their satellites.

So in considering in what fashion West Berlin can be protected over what may be a period of years, subject to the repetition of the sort of threats we are now under, one has to look at the instruments you take to give the West Berliners the courage and the confidence to continue to act like free men and stand up to the physical risks which surround them in their daily lives.

NOMINATION OF CLARE BOOTHE LUCE

Senator MORSE. Mr. Chairman, may I interrupt the proceedings just for a moment to raise a committee matter. I had hoped we could keep a quorum here so that I could raise the Luce nomination for further consideration.[3]

I think it would be a mistake to report the Luce nomination to the Senate, and I filed for the Senator from Ohio a few weeks ago a few questions that he raised. But things have developed since then which I think would make it desirable to postpone the Luce nomination.

The CHAIRMAN. I wonder if we have not gone as far as we can this morning. After we have had time to consider and digest what we have been given this morning, we might have another session.

I wonder if it is all right to dismiss this witness, and I would like to dispose of one or two other minor matters. Is that agreeable?

Senator HICKENLOOPER. I would like to ask a question.

The CHAIRMAN. One question, just for a few minutes.

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[3] See editor's note, p. 247.

DEVELOPMENTS IN IRAQ

Senator HICKENLOOPER. Do you have any comment, Mr. Merchant, on the developments in Iraq? I have been very much concerned about that situation. I do not mean to open up that whole situation here, but as long as you are here, if you have a comment I would like to hear it.

Mr. MERCHANT. It is not in my area, so I do not profess any close knowledge. But at the staff meeting this morning, the last intelligence estimate was that the revolt seems to have failed.[4]

Some of the leaders in it, indeed the primary leader, is a relatively obscure military man, so it is a little hard to know with certainty the motivation. But the evidence would indicate that the group in the Mosul area, which started the rebellion, were men in favor of at least a very close relationship with the United Arab Republic, and have moral support at least from Nasser and possibly more.

There was apparently neither in Baghdad nor in any of the major communities in Iraq any sympathetic rising or evidence of support for this rebellion which started in the Mosul area.

Senator HICKENLOOPER. Thank you.

The CHAIRMAN. We will excuse you, Mr. Merchant, and thank you very much for your testimony. It certainly has given us a lot to think about, and we may have another discussion of it at a later time.

Mr. MERCHANT. Thank you, Mr. Chairman.

The CHAIRMAN. I hope we will all consider this meeting highly confidential, because there were some very delicate things until we develop this a little further; at least I think there is considerable doubt in many people's minds, including my own, as to exactly what the attitude of the Department is, frankly.

Therefore, it would be extremely injurious if we should misinterpret it by premature talking. Of course, we will have our own responsibilities, but I think I detected considerable uncertainty in the minds of these representatives as to what their policy is.

[Whereupon, at 12:35 p.m., the committee proceeded to the consideration of other business.]

RECONSIDERATION OF LUCE NOMINATION

The CHAIRMAN. If I understand correctly, the Senator from Oregon is moving that we reconsider the vote——

Senator MORSE. I move we reconsider the Luce nomination, without prejudice, so we can have some executive discussion, possibly an executive hearing on the matter. I think the dust ought to settle a bit before this appointment goes through.

The CHAIRMAN. I think that is correct. I discussed this very casually with Mr. Macomber, and if I understand correctly, he is in agreement that it should be delayed a while.

Without objection, the motion is carried.

Mr. MARCY. Mr. Chairman, may I make one comment for the information of the committee.

I have just talked with Mr. Macomber again. He said since the Bolivian incident, the Brazilian Ambassador has called on the Department of State and said he hoped they would go ahead with the Luce nomination.

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[4] On March 9. The government of Iraqi Premier Abdul Karim Kassem crushed a brief revolt led by Army Col. Abdel Wahab Shawaf.

The CHAIRMAN. Mr. Macomber told me he thought it would be quite all right to let it settle a while.

So, without objection, the motion to reconsider is carried.

Senator GORE. I do not want to raise any objection, but I do not want to be recorded as favoring it.

The CHAIRMAN. Favoring what?

Senator GORE. Postponement.

The CHAIRMAN. All right.

[The committee next heard from T. Graydon Upton, Assistant Secretary of the Treasury, who had been nominated as the U.S. Executive Director of the International Bank for Reconstruction and Development. On the motion of Senator Morse, seconded by Senator Long, the motion to report his nomination was carried on voice vote without objection.

Senator Morse then moved that the nomination of Henry J. Heinz II, to be Representative of the United States to the 14th Session of the Economic Commission for Europe of the Economic and Social Council of the U.N. be approved for report. The motion was agreed to unanimously.

The committee postponed action on S. 493, "Authorizing the appropriation of $500,000 for the Pan American Games in Chicago, Ill." The committee adjourned at 12:40 p.m.]

MINUTES

TUESDAY, MARCH 17, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee reconvened in executive session at 12:35 p.m., in the committee room, F-53, Capitol.

Present: Chairman Fulbright, Senators Green, Sparkman, Lausche, Church, and Aiken.

The committee voted on motion by Senator Lausche, seconded by Senator Aiken, favorably to report S. 1094, "To amend the Bretton Woods Agreements Act," after the text, as amended, had been cleared with certain committee members, and on amendment at the end of the bill adding a new section which would make the Act effective on July 1, 1959.

The committee voted unanimously on motion of Senator Aiken, seconded by Senator Green, favorably to report the nomination of Thomas C. Mann, Assistant Secretary of State for Economic Affairs, to be the Representative of the U.S. on the Commission on International Commodity Trade of the Economic and Social Council of the U.N.

The committee next considered S. 493, "To authorize the appropriation of $500,000 to be spent for the purpose of the Pan American Games to be held in Chicago." After discussion Senator Green moved, seconded by Senator Lausche, that action on the bill be postponed.

Senator Wiley made the point of order that there was no quorum present, whereupon the chairman stated that the committee had had a quorum, and that the committee was acting under the quorum unless someone raised the question. Senator Wiley said he was not so raising it, and the chairman, after stating the motion, said that it had carried without objection.

S.J. Res. 73, "Extending an invitation to the International Olympic Committee to hold the 1964 Olympic Games in Detroit, Mich.," went over on the agenda.

For record of the proceedings, see the official transcript.

[The committee adjourned at 12:45 p.m.]

MINUTES

WEDNESDAY, MARCH 25, 1959

United States Senate,
Subcommittee on Disarmament of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 12:15 p.m. in room 4221, New Senate Office Building.

Present: Senators Humphrey (presiding), and Hickenlooper.

Also present: Senator Church.

The subcommittee heard testimony from Ambassador James J. Wadsworth, U.S. Representative on Disarmament, Vincent Baker, and Alexander Akalovsky concerning the possible suspension of nuclear weapons testing.

For record of proceedings, see official transcript.

[The subcommittee concluded its executive session at 1 p.m.]

MINUTES

TUESDAY, APRIL 7, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met at 11:35 in the Foreign Relations Committee room, U.S. Capitol, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Humphrey, Mansfield, Morse, Gore, Lausche, Church, Wiley, Hickenlooper, Langer, and Aiken.

By voice vote the committee favorably reported the nominations of Carl W. Strom to be Ambassador to Bolivia, and Ellis O. Briggs of Maine to be Ambassador to Greece. At the request of Senator Langer, the chairman requested the staff to prepare a letter to the State Department to inquire about the policy on notification of ambassadorial nominations.

At the request of Senator Wiley, consideration of the treaty of amity, economic relations, and consular rights with the Sultan of Muscat and Oman, was delayed for a week.

The committee next considered, and reported favorably by voice vote, H. Con. Res. 34, favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C.

Mr. Marcy then reported on the State Department's policy of sending the Congressional Record to U.S. Ambassadors, following complaints that several ambassadors did not receive their copies for several weeks.

On the motion of Senator Gore, seconded by Senator Lausche, the staff was instructed to prepare a draft resolution which would be reported favorably, concerning attendance at the Second Strasbourg Conference of the Council of Europe.

The committee next discussed, and decided to forward to the Joint Committee on Atomic Energy, Senator Humphrey's resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapons tests.

On the motion of Senator Morse, the committee voted to report S. 455 (introduced by Senator Fulbright), to provide for the appointment of an assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of the exchange of persons, programs, and administrative cooperation between staffs engaged in carrying out such programs.

For record of proceedings, see official transcript.

[Whereupon, at 12:15 p.m., the committee adjourned.]

MINUTES

FRIDAY, APRIL 10, 1959

UNITED STATES SENATE,
EXECUTIVE COMMITTEE ON FOREIGN POLICY REVIEW
OF THE COMMITTEE ON FOREIGN RELATIONS
Washington, D.C.

The executive committee met in executive session in the committee room, F–53, at 3 p.m.

Present: Chairman Fulbright, Senators Sparkman, Hickenlooper, and Aiken.

For record of the proceedings, see the official transcript.

[After discussing in a general way with the staff some proposals for expanding the current Foreign Policy studies, the executive committee adjourned at 4 p.m.]

THE NOMINATION OF CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

[EDITOR'S NOTE.—The Foreign Relations Committee first took up the nomination of Mrs. Clare Boothe Luce to be Ambassador to Brazil on March 3. After Chairman Fulbright noted that Mrs. Luce was recovering from minor surgery, Senator Morse moved to send her nomination to the Senate without calling her to testify. The motion passed, but Senator Langer dissented, pointing out that Mrs. Luce's name was not on the agenda. That same afternoon, Senator Morse's Subcommittee on American Republic Affairs heard testimony concerning the ill-will created in Bolivia by a critical article in Time magazine, published by Henry R. Luce. "As the one who made the motion to expedite Mrs. Luce's confirmation, I am not so sure that this incident is going to help her in Brazil," Senator Morse commented.

On March 10, Senator Morse moved to reconsider the vote on the nomination, and the committee invited Mrs. Luce to testify at a public session. There, and in executive session, Senator Morse opposed the nomination on the grounds that Mrs. Luce lacked diplomatic selfrestraint. On April 23 the committee voted to recommend confirmation, with only Senator Morse voting in the negative. Five days later the full Senate confirmed the nomination, 79 to 11.

Immediately following the Senate vote, Mrs. Luce reopened the controversy by telling the press that the root of her difficulties originated "some years back when Senator Morse was kicked in the head by a horse." Several senators expressed indignation over the remark and indicated they would have voted against the nominee had she made the statement earlier. After a week of heated charges and countercharges, Mrs. Luce resigned as Ambassador to Brazil on May 1. President Eisenhower then named career diplomat John Moors Cabot to succeed her.]

WEDNESDAY, APRIL 15, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, in the Foreign Relations Committee room, U.S. Capitol building, at 3:15 p.m., Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Humphrey, Mansfield, Morse, Kennedy, Lausche, Hickenlooper, Langer, Aiken, Carlson, and Church.

Messrs. Marcy, Holt, St. Claire and Kuhl of the committee staff.

EDITING THE HEARING TRANSCRIPT

The CHAIRMAN. All right.

Senator MORSE. Mr. Chairman, Mrs. Luce was heard to say that she wanted to get the transcript of this morning's hearing so that she might edit from the transcript anything that might cause embarrassment.

I told Mr. Marcy that I thought any rule that applied in the Senate—wherein a Senator has the right to serve notice that he wants no editing of the Congressional Record in which he participated—should apply here.

I think Mr. Marcy's position is that he knows of no rule about it and I want to make a formal request that that transcript stand, with no editing.

The **Chairman**. You say there is no precedent?

Mr. **Marcy**. Can I make a statement about these transcripts? Normally, if a nomination is heard in public session, the committee does not print it. It is available in the blue form. We don't send it to the Ambassador for correction.

In the past, however, unless a question has been raised and it is in a category of substantial public interest, such as the confirmation of a Secretary of State or an Assistant Secretary of State, we have sent the transcript to the witness and asked him to make any changes necessary, with the understanding that these are of a grammatical nature.

When those corrections come back, if there is a question of a man changing something from the positive to the negative, which there has never been that I recall in recent years at least, then we would bring that kind of a change to the attention of the chairman who might want to bring it to the attention of the committee.

Now let me add one other thing not relating to the witnesses so the committee members may know. When any transcript is to be published we do normally go over the verbatim remarks of each of the Senators and clean them up in the sense of eliminating duplication. Once in a while you might have verbs mixed up and that sort of thing. There is never any change of substance. If there were a change of substance, we always would check with you, but normally it is a matter of cleaning it up.

Senator **Morse**. I want to add this comment because of the nature of the hearing this morning and my active participation in it and because I am well aware of the treatment I will receive in certain quarters, to which I am accustomed.

Senator **Lausche**. Will you yield for a second?

Senator **Morse**. Yes.

Senator **Lausche**. I don't think they will dare. That is when you speak of the treatment. I don't believe they will dare. I will be shocked if they do.

Senator **Morse**. It doesn't bother me. I am used to it, but I feel under the circumstances the Senate rules with relation to the Congressional Record should prevail here.

Mr. Marcy may recall that we did have a hearing once in which one of the witnesses from the Pentagon sought to modify some testimony during my cross examination and I objected to that modification. The testimony remained as originally given.

I believe that the testimony should remain as given and that we ought to have no editing of the testimony.

I don't even look at mine and I have protested the editing of the testimony of Mrs. Luce.

NO EXCEPTION SHOULD BE MADE

The **Chairman**. Does the staff plan to publish this testimony?

Mr. **Marcy**. Well, this is something the committee ought to instruct us to do or not to do.

The **Chairman**. What is the will of the committee with regard to publishing the testimony?

Senator **Carlson**. I was not present this morning. I had to attend a Finance Committee meeting and regret I was not here.

I know of nothing that happened in the proceedings this morning, but I sincerely hope that no different action will be taken on Mrs. Luce's testimony from what has been taken in previous cases.

I don't know how they have been handling it in this case and I don't think we ought to make exceptions because it was Mrs. Luce. I would be opposed to changing transcripts. I am not in favor of it either; but if we haven't been publishing it in the past, let's keep it that way.

The **Chairman**. How many transcripts of this nature have been published in recent years?

Mr. **Marcy**. I think Pat and I can think of a few between us.

Mr. **Holt**. Acheson, Jessup, and the United Nations nominations were published.

Senator **Morse**. Mr. Marcy, this isn't the first time that the committee has heard me make this request of the staff in regard to hearings in which I have participated.

In early 1958 when I conducted the hearing on Cuba with Assistant Secretary of State Rubottom, I felt that the nature of his testimony and my cross-examination of him were such that there should be no changes.

I requested at that time that there be no changes in that testimony and my recollection is that my wishes in the matter were followed and that the transcript was not edited.

Senator **Lausche**. May I ask a question?

The **Chairman**. Senator Lausche.

THE PUBLIC IS ENTITLED TO THE TRANSCRIPT

Senator **Lausche**. Senator Morse, do you feel that grammatical corrections also ought to be precluded?

Senator **Morse**. As a member of the Senate and in regard to the Congressional Record, no changes should be allowed. The public is entitled to the transcript as given.

Senator **Lausche**. I think you are entitled to have it so that there will be no changes that will put you under any improper light as to how you pursued your thought.

The **Chairman**. Do I hear a motion about it? I am sure this is proper for the committee to decide.

Senator **Morse**. I will make the motion that there be no editing on the part of anyone of the transcript of this morning.

The **Chairman**. Any further discussion?

Senator **Sparkman**. Mr. Chairman, may I just ask this question?

The **Chairman**. Yes.

DELAY VOTE ON THE NOMINATION

Senator **Sparkman**. I was worried I would not be able to be here this morning. When is the vote on the nomination proposed by the committee? Is that supposed to be this afternoon?

The **Chairman**. We will vote it this afternoon unless there is some request that it be delayed.

Senator SPARKMAN. I certainly will not object, nor will I request it be delayed. I am at a loss as to how to vote without the benefit of the transcript.

The CHAIRMAN. As is customary, if any Senator wishes it be delayed to give him time to read the testimony, I will withhold the vote.

Senator SPARKMAN. I don't ask it. I didn't know we were going to have it this morning and I had made other plans.

Senator LANGER. Mr. Chairman, I wasn't here this morning. Did anyone ask her about the Bolivian situation and about Time magazine? You know there were two or three people killed down there.

The CHAIRMAN. Yes, Senator Langer, I asked several questions, one relating briefly to that, but Senator Morse carried on a very extensive examination. That is what he is talking about, the record of it.

Does the Senator wish it be delayed so that he may read the record?

Senator LANGER. I would like to read the record on that.

The CHAIRMAN. It is customary in most cases that we go over it if you wish. I am prepared to vote, but if the Senator wishes to go over until such time as the committee desires, or perhaps next Tuesday, I have no objection if the committee doesn't object.

Senator CARLSON. Mr. Chairman, can we reach some agreement when we might vote on this?

The CHAIRMAN. I am perfectly willing to vote now.

Senator CARLSON. I am too.

Senator MORSE. I have a motion before the committee and it hasn't been disposed of. I make an amended motion that we vote next Tuesday.

Senator CHURCH. Mr. Chairman, might I address myself to that?

The CHAIRMAN. Does the Senator now withdraw his original motion?

Senator MORSE. I amended it.

The CHAIRMAN. The Senator now moves that there be no editing of the record regardless of when we vote on it.

Any further discussion?

THE GIVE AND TAKE AT THE HEARING

Senator CHURCH. I was not here this morning. It is my present intention to vote to confirm the nomination of Mrs. Luce. Therefore, I cannot be biased in any way with respect to what transpired here this morning and am in the position to think and judge on the basis of the argument that has been made on behalf of the motion of the Senator from Oregon.

It seems to me that if any member of this committee feels it is important for the actual question and answer in the give and take at a public hearing to remain on the record the way it is, he is not only within his right to make the request, but it is fitting and appropriate for the committee to back him up.

On that basis, I want to second the motion.

Senator KENNEDY. Mr. Chairman.

The CHAIRMAN. Senator Kennedy.

SENSITIVE DISCUSSION OF THE OIL LEASE

Senator KENNEDY. The thing that I thought might prove somewhat embarrassing to the United States if Mrs. Luce's nomination is approved, is on the question of the development of the oil lease which is a sensitive matter. I am wondering if Mrs. Luce should choose to do so—and I am in support of Senator Morse's motion—whether she should be permitted with adequate notification to change what might be a closed remark, after reading it over. I don't recollect it exactly; it just occurs to me that there might be something embarrassing. But if she wishes to place in the record an additional statement on any matter that came before the committee, perhaps it might be useful with, of course, full clarification that this is an additional statement.

I wonder if there is any objection to that?

PRINT THE TRANSCRIPT AS IT HAPPENED

Senator Morse. There is a very sensitive and delicate matter for me to discuss. I want to make two points, very quickly.

First, in regard to the matter of form that I have raised, I know how important it is when I go up on appeal that I have the accurate, verbatim transcript of the examination in the Court below so that the appellate court can judge as best he can from the printed page the operative facts of the courtroom that existed at the time the case was on trial.

You never know in this mental process of forming judgment what the reaction of others is, and what others are going to do as they analyze the transcript.

All I ask is that they have the transcript as it happened; not as someone subsequently wishes it might have happened. That is the first point I want to make and therefore, I don't want the transcript edited in any way any more than I as a lawyer would want a transcript on an appeal of what happened in a trial of a case edited.

Second, I think I made clear this morning that I would have no objection to a filing, subsequent to the testimony, of any explanatory statement by way of afterthought that Mrs. Luce might want to make, but I wouldn't want it interspersed in her testimony at the time. I am perfectly willing to have what it amounted to, in effect, as an appendix to the transcript in which she will supplement her statements.

You will remember I asked for a documentation.

The Chairman. Yes.

Senator Morse. She made statements in regard to Franklin Roosevelt. We got your permission to have her file as an appendix her answer to my question as to what her position was on the issue of career diplomats versus politically appointed diplomats. She said she had written a magazine article of some length and would be glad to make that available to me, and I asked your permission that that be filed as an appendix to the record.

But I would not, Mr. Chairman, if the Senator from Massachusetts has this in mind, want to agree to set a precedent whereby a witness before us could take a transcript of ours and afterwards keep inserting, puncturing it here and there with afterthoughts by way of additional memoranda that they want to add to their statement at that point, because you are conducting the examination and you are greatly influenced in your next question by the last answer.

I want those who read the transcript—and I want to do it myself when somebody else is examining—to have the transcript describe what took place. Then if you want to grant permission to file an appendix, I will vote for it.

Senator KENNEDY. Mr. Chairman, we are in complete agreement with that.

Senator LAUSCHE. I think, Mr. Chairman, that Senator Morse is completely right in the position which he takes. If she wants to file a supplemental statement giving explanations of previous answers, she ought to be permitted to do so.

The CHAIRMAN. Any further questions?

NOMINATIONS OF CONSIDERABLE INTEREST

Senator CARLSON. Is it the intention to print this morning's hearing?

Senator MORSE. I would like to incorporate it in the publishing of the transcript.

The CHAIRMAN. That is for the committee to decide.

The motion then is that it be printed as made this morning to include any additional statements she cares to make.

Senator MORSE. As a supplement?

Senator CARLSON. Has it heretofore been the policy of the committee to print testimony of nominations of this type?

The CHAIRMAN. I have just been handed these three—Henry Taylor, Maxwell Gluck, and Scott McLeod, and I am told Mr. Jessup and Mr. Bohlen and others.[1] In some of these routine appointments, such as the career people, we don't. It is usually printed when it concerns a person of considerable interest, so it is up to the committee to decide.

I would say there is plenty of precedent for printing it.

Senator CARLSON. Mr. Chairman, I have no objection to the Senator's request. I want this case treated as previous cases.

The CHAIRMAN. I would say it is in accord

Senator LAUSCHE. Mr. Chairman, passing upon the motion made by the Senator from Oregon doesn't mean we are passing upon the issue as to whether this incident should be dealt with in the general way or thrown into the category of these cases in which there is a published record made.

I think Mr. Marcy said that on each one we have a blue-backed book that is filed. In a few, we have a special public record made.

The CHAIRMAN. Printed as these.

Senator LAUSCHE. But it doesn't mean that if we vote affirmatively for the Morse motion we are deciding this case shall be dealt with differently from others.

The CHAIRMAN. That is right. It would be in conformity. I say there is plenty of precedence for it.

Senator LAUSCHE. We haven't passed on that yet, have we?

The CHAIRMAN. His motion? He has amended it to include publication.

Senator MORSE. It was suggested that I should. I am perfectly willing to keep it separate.

The CHAIRMAN. He said he will amend his motion.

Senator MORSE. Let's keep it separate.

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[1] In 1957 the committee published the nomination hearings of Henry Taylor to be Ambassador to Ceylon Scott McLeod to be Ambassador to Ireland, and Charles Bohlen to be Ambassador to the Philippines.

MOTION NOT TO ALLOW EDITING

The CHAIRMAN. Our motion then is that there be allowed no editing, but that a supplemental statement shall be allowed.

Any further discussion?

Mr. Marcy. When you say no editing, this applies to members of the committee also?

Senator MORSE. Yes.

The CHAIRMAN. That hasn't been decided.

All in favor of the motion say aye. Opposed, no.

[A chorus of ayes.]

The CHAIRMAN. The motion is carried.

MOTION TO PUBLISH

Senator MORSE. Mr. Chairman, I move that the transcript of this morning be published.

Senator CHURCH. I second the motion.

The CHAIRMAN. You have heard the motion and in regard to that I have said there have been plenty of precedents.

Senator LAUSCHE. Senator Morse, you feel this should be done because of the developments this morning and your participation in it and having in mind the supposed influence of these people and for that reason it should be published in protection of yourself?

Senator MORSE. Those are among the reasons.

Senator SPARKMAN. Mr. Chairman, I would like to raise this point now.

Mrs. Luce is given an opportunity to submit supplemental material which will be printed as part of the record, as I understand it.

It will not be possible, as I understand it, to get that material in and get it published in time for the meeting next Tuesday. This thought arises in my mind too.

Suppose any supplemental or additional matters are raised that some of us might want to inquire into. I am not talking about myself because I wasn't here this morning, but just assume that is true. What opportunity is then to be given for that?

Senator MORSE. I would say there is time between now and next Tuesday.

Senator SPARKMAN. When is she going to get her material in?

Senator MORSE. This is Wednesday. She certainly ought to be able to get it in. How soon do you have to have it?

Mr. MARCY. It would be all right at this time to fix next Tuesday as a voting date. We won't have the transcript back until tomorrow morning. She will get it tomorrow afternoon, and I think we ought to send it to her so she can refresh her recollection as to what she has agreed to supply. I suppose she would need Friday to prepare a supplemental statement and maybe longer. My guess is we would be lucky to get it off to the printer by Monday night.

Conceivably, we could have it back Tuesday morning if everything goes perfectly.

Senator MORSE. I think that is up to her. As to John's other point, I am not asking that we file any supplemental statements. We have the floor of the Senate; we have the committee; and we also have a perfect right to discuss and debate on the confirmation anything that we want to add. But I think she is entitled to the courtesy.

Senator **Sparkman**. I think we ought to avoid rushing the thing too much and have somebody say we didn't have time to do this adequately.

Senator **Morse**. I suggested Tuesday because I didn't want to seem to be in the position of delaying it.

Senator **Sparkman**. I think it would be better if we went over to Thursday or something like that.

The **Chairman**. It is all right with me. It is suggested that we vote within 48 hours after publication so that if it comes early we will still have plenty of time.

Senator **Sparkman**. I would like to read the transcript since I wasn't here, and frankly I think that the others would like to read it also.

The **Chairman**. I would say Thursday would be late enough.

Does that suit you Mike?

Senator **Mansfield**. Yes.

Senator **Langer**. We will leave it to you.

The **Chairman**. We will say tentatively Thursday unless it comes in earlier and I call you.

Then it is agreed, without any vote, that it will be voted on Thursday, if not before, and after publication.

[The committee next voted unanimously on the motion of Senator Mansfield to report favorably the treaty with Muscat and Omen.

Whereupon, at 3:45 p.m. the committee went into open session to hear Prof. Hans J. Morgenthau on U.S. Foreign Policy.]

RELATIONS WITH PAKISTAN

[EDITOR'S NOTE.—In March 1959, after General Abdul Karim Kassem pulled Iraq out of the Baghdad Pact, the United States immediately signed bilateral defense treaties with Pakistan, Turkey, and Iran. The remaining members of the Baghdad Pact then formed the Central Treaty Organization (CENTO).

American policy toward Pakistan concentrated on stabilizing the country under the new government of General Mohammed Ayub Khan, the army commander who had administered martial law during the civil disturbances in 1958. In his special Mutual Security message to Congress on March 13, President Eisenhower requested increased defense support for Pakistan. And in December, Eisenhower added Pakistan to the itinerary of his round-the-world good will tour, receiving a tumultuous reception upon his arrival in Karachi.]

THURSDAY, APRIL 16, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON NEAR EASTERN
AND SOUTH ASIAN AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met, pursuant to call, in the Foreign Relations Committee room, U.S. Capitol Building, at 3:35 p.m., Hon. Albert Gore presiding.

Present: Senators Gore and Carlson.

Also present: Messrs. Albert E. Farwell, Program Officer, Office of Near East and South Asia Operations, International Cooperation Administration; and Leland Barrows, Director, Office of Near East and South Asia Operations, International Cooperation Administration.

Messrs. Marcy, Holt, and Newhouse.

Senator GORE. The committee will come to order.

We are privileged to have with us today Mr. James S. Killen, ICA Mission Director in Pakistan.

Mr. Killen, the subcommittee would be very pleased to have any statement you wish to submit.

STATEMENT OF JAMES S. KILLEN, ICA MISSION DIRECTOR FOR PAKISTAN

Mr. KILLEN. Thank you, Mr. Chairman.

I should like to make a statement which is completely oral and part of which I will read. If you have any questions I will be happy to try to answer them.

The statement I should like to make will cover four or five points, Mr. Chairman.

I would like to touch on the total aid that has been given Pakistan and the relation of that aid to the U.S. objectives in the country, and to comment briefly on the extent to which those objectives have been satisfied.

I should like to comment on some elements of the problems that Pakistan faces, and make some observations of the new government which came in last October; then, perhaps, some reference to the efforts the Mission is making to further strengthen our program in Pakistan, and the criteria we are using in those efforts; a brief comment about possible future aid; and some reference at the end to the overall subcontinent problem in South Asia.

As of June 30 this year, the Economic and Technical Assistance program in Pakistan will be 8 years old. It will have provided total economic assistance of approximately $969 million covering technical assistance, defense support, Public Law 480 commodities,[1] project aid, including DLF support, and other aid, Export-Import Bank loans, special legislation, and so forth.

Senator GORE. That is Development Loan Fund?

Mr. KILLEN. Yes, sir.

This total aid, in concert with military assistance, has been directed at two major target areas.

Senator GORE. Does this $969 million include military aid?

Mr. KILLEN. No, sir. This is strictly economic assistance.

Senator GORE. How much is the military aid?

Mr. KILLEN. I cannot give you the exact figure. It is less than half of it. I think it is on the order of $350 million to $400 million.

Senator GORE. Then the total aid would run—do we have the exact figures?

Mr. FARWELL. The figure, sir, is approximately $418.8 million.

Senator GORE. That is $1,387 million which has gone to Pakistan?

Mr. KILLEN. Will have been programed for Pakistan by the end of the current fiscal year as of June 30, 1959.

Senator CARLSON. What about the actual appropriations then? Could you tell us that, roughly? This is programed. Do you have appropriations to cover all the programs?

Mr. KILLEN. This is all appropriated, Senator.

Senator CARLSON. All right.

Mr. KILLEN. Some of it is in the pipeline; it has not actually been delivered to the country.

Senator CARLSON. I see.

Mr. KILLEN. I should have said at the beginning, gentlemen, that a great deal of this information which I am giving you is classified; therefore, it would not appear in any general unclassified statement.

Senator CARLSON. Yes.

TWO MAJOR TARGETS

Mr. KILLEN. This total aid in concert with the military assistance has been directed at two major target areas, the first to protect Pakistan territory against Communist aggression, to bolster her military defensive strength, to associate her more closely with free world collective defense arrangements, to strengthen her political integrity and her ties with the community of free nations, and to achieve these targets without economic and social deterioration of the condition of the Pakistan people.

The second target area is to encourage and assist the longer-term economic growth of the nation with a view toward lessening dependence on external aid and toward ultimate viability.

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[1] "Food for Peace."

The time and money already invested warrant an assessment of the measure of achievement of these U.S. objectives in Pakistan to date and the prospect of their future fulfillment.

The goals stated in the first target area have been and are being largely met currently.

Pakistan enjoys territorial integrity. Her military posture is strengthening. She is an active member of the Baghdad Pact and SEATO.

Her political and military collaboration with the free world is cooperative and fruitful, and there has been no general deterioration of her people's economic and social conditions. In all these respects, therefore, it can be stated that U.S. objectives are largely satisfied.

LESSENING DEPENDENCE ON AID

With respect to the longer-term objective of lessening dependence on aid, an ultimate viability, progress, if any, has been slight.

Total investments since the initiation of the aid program have provided a rate of increase in national income barely able to keep abreast of population growth.

The rate of investment has been far below that necessary to generate the multiplying effect so essential to increased per capita income.

It is hard to escape the conclusion, therefore, that the state of the economy in terms of per capita production and consumption, and in spite of aid-provided resources, is virtually unchanged from 1955 when military and defense support aid programs were initiated.

During recent years, Pakistan's stated requirements of both Public Law 480 commodities and defense support have tended to rise, while foreign exchange holdings as of January 1, 1959, show a steady downward trend for the last 3 years.

Increasing aid and excessive use of dwindling foreign aid reserves have served only to maintain the status quo in the capital levels of production and consumption.

Whatever may have been accomplished on the political and military front, neither the United States nor Pakistan can long countenance this exhaustion of resources with no compensating growth in the country's economic health.

REASONS FOR PAKISTAN'S PROBLEMS

What are the reasons for this situation?

A number could be cited to account for Pakistan's failure to cope more successfully with her problems, but the following seem to be governing.

The first is her fundamental balance of trade problem; second, the adversity in terms of trade; third, the cost of her military establishment; and fourth, certain internal weaknesses of government. We will discuss each of these very briefly.

With respect to her balance of trade, Pakistan is a producer primarily of agricultural products. Jute and cotton have traditionally accounted for about 75 percent of her export earnings; hides, tea, carpet wool, and fish account for perhaps another 15 percent.

The rest is a hodgepodge of small manufactured items. Jute exports have held relatively constant in both price and volume in recent years.

Cotton has fallen off very sharply in both price and volume. There is no foreseeable prospect of any significant change in this general picture.

Exports of fish, wool, and sporting goods may and should increase over the next several years, but there is no real likelihood that they will be able to close this trade gap.

If prices and volume are pushed too hard in the face of competitive packaging materials, jute might well lose its importance, while future cotton exports are faced with all kinds of known and unknown hazards.

They can effect some savings on their imports through the growing indigenous production of sugar, paper, fertilizer, and so forth; but these savings may be very well offset by the increased import requirements of equipment, petroleum products, spare parts, and so forth.

On balance, then, one cannot anticipate with confidence any short-term improvement in the balance of trade.

POSSIBILITIES FOR IMPROVEMENT

Now, there are three possibilities that might provide a basis for an improvement in her overall trade picture. If Pakistan could become self-sufficient in food production, she might very well save from $30 million to $50 million per year now being spent for the importation of food.

This is over and above the present local currency sales of Public Law 480 goods that the United States is providing. If the cost of her military establishment, especially that part of it which is covered by her own free foreign exchange, could be reduced, then her balance of trade picture would be improved accordingly.

She is spending from $35 million to $45 million of her own money for imports for the military, including both end items and what we call common use items, POL tires and so forth.

Last, if the work of the American oil companies which are doing exploratory work in that country should be brought to fruition, of course, the nearly $50 million a year that is being spent for importation of petroleum products could be reduced sharply. But this, of course, is not the sort of thing that you can depend on. It is a hope.

The oil companies, when we ask them, tell us that they are staying in the exploratory work because they believe the prospects are pretty good that ultimately they will be successful.

In the matter of the terms of trade, through no fault of Pakistan's, her export earnings buy only about 50 percent of what they bought in 1948. In other words, an export dollar earned buys about 50 cents worth of imports as compared to 1948.

PAKISTANI CURRENCY

Senator **Gore**. Are we holding some of the soft currency, or Pakistani currency?

Mr. **Killen**. Yes; we have substantial volumes of Public Law 480 sales proceeds which we are loaning back to them for economic development and budget support purposes, as well as some bank rupees for the first time this year which we are using for economic development purposes.

Senator GORE. Are we lending them at the current value and taking the losses and depreciation that have arisen through depreciation of currency values?

Mr. KILLEN. Most of the Public Law 480 proceeds have been issued since the last depreciation of the currency, which was in 1955, so there has been no official depreciation since that time.

Mr. Farwell points out that some $62 million worth of U.S. owned rupees are held by the United States for U.S. uses.

This account has been building up rapidly over the years because it has not been utilized for U.S. uses as rapidly as it has accrued.

Senator GORE. To what uses can we put it?

Mr. KILLEN. It has been used to defray certain U.S. costs in the construction program of the military aid program. This has been the largest single use. It has been used to defray the local costs of contractors.

Senator GORE. Why should we appropriate more dollars to be converted into rupees, when we have unspent rupees to our credit there?

Mr. KILLEN. Two points I would like to mention. In the first place these rupees accrue through the sale of agricultural surpluses from the United States Commodity Credit Corp. stocks; so they do not flow from direct mutual security programed dollar appropriations.

Second, these rupees cannot substitute for the uses to which dollars are put, because we do not use dollars for any purpose within the country for which rupees could be used.

Dollars are used for offshore procurement in all cases, so you cannot effect a direct substitution of rupees for dollars in the respect you suggest.

Senator GORE. Well, this offshore aid is primarily spent for goods produced from this country, is it not?

Mr. KILLEN. Yes, sir; the greater part of it.

Senator GORE. The dollars merely serve as a measure of what we send them?

Mr. KILLEN. That is right.

Senator GORE. All right.

U.S. AIRFIELDS IN PAKISTAN

Senator CARLSON. I had to step out a moment, and you may have asked this question: We have some very fine airports around Karachi. Did we use these local currencies to construct those? Do we build any buildings, or what do we use them for except as has been mentioned by the chairman?

Mr. KILLEN. Senator Carlson, all the local currency costs of the air strips and facilities that are being constructed by the United States are being paid for by local currencies which the U.S. Government holds.

Senator CARLSON. I see.

Mr. KILLEN. Dollars are not being used to defray local currency costs in these construction programs.

COST OF PAKISTAN'S MILITARY

Pakistan's military establishment, while modest in numbers for a population of 85 million people, consumes over 60 percent of the central government's total revenues, and over 30 percent of its total expenditures.

While this cost is partially met by defense support assistance, the impact of defense expenditures on total resources, including aid, leaves inadequate availabilities to carry on the nation's development effort.

INTERNAL WEAKNESSES OF THE GOVERNMENT

The last point I mentioned was the internal weaknesses of government as a cause of some of these difficulties. Pakistan, like many another newly independent and poverty-stricken country, lacks the experience and the skills in government administration so essential to carry on an effective effort for economic growth.

Traditional processes of colonial administration provide scanty training in the marshaling and expenditure of resources. Closely associated with this weakness are the frustrations flowing from the allocation of responsibilities between the center and the provincial governments.

In order to get any kind of an action program going, for example, in the field of agriculture, one is apt to find essential components of that program allocated among the separate departments of food, agriculture, animal husbandry, irrigation, forestry, and so forth.

This problem is a continual obstacle in many aspects of our technical assistance program and capital projects as well.

Likewise, there is a lack of a sound fiscal structure, in both the center and provincial governments.

The traditional authority of the large landowner in all branches of government is reflected in the maldistribution of taxes on the various sectors of the economy. Past and existing tax structures are neither equitable nor incentive-creating.

As a result, tax evasion, tax avoidance and understaffed and ill-trained revenue departments result in revenue inadequate to meet the requirements of both administrative and developmental budgets.

A not unrelated problem is that of corruption in the public service. At least up to the time of the revolution coup last October, this evil appeared to permeate large sectors of the public service. There is much quiet assertion that the change in government has not succeeded in stamping out this condition.

Finally, the needs of development have failed to receive the attention in government policy, programing and action that is so essential if success is to attend the effort.

While not completely unrecognized, development has been relegated to a secondary position by past governments, and the struggle for power, position and prestige has absorbed the energies of politicians and civil servants alike.

The exceptions merely prove the rule. These are the debilitating conditions that have tended to undermine the health of past Pakistan governments and of the Pakistan economy.

THE NEW GOVERNMENT

It is clear that not all of Pakistan's problems are of her own making. She has fallen victim to conditions over which she has had no control. At the same time, up to the advent of the present government, her successive governments failed to energize the nation to make possible full utilization of even that which she had. Whether the new government can do this is today's question.

General Ayub and his associates, who make up the new government which came into power last October, are committed to a program of reform and revitalization. Land reform, refugee housing, relaxation of economic controls, revision of taxes and more effective collection procedures, and economies in government spending have already been initiated.

It is intended to eschew deficit financing, and next year's budgets are being planned accordingly. Corruption is being attacked and efficiency of administration is receiving new attention.

By and large, the first 6 months have brought forth a creditable performance.

Certain cabinet officers, particularly the ministers for foreign affairs and finance, are outstanding individuals determined to achieve the objectives of settling the country back on the road to political and economic health.

They are not minimizing the obstacles and the probable need for continuing and substantial assistance from external sources for several years.

The Minister of Finance is initiating an attack on major internal problems, some of which we mentioned above.

Both of these ministers appreciate the adverse effect on Pakistan's well-being of the dispute with India, and are willing to work for an amelioration of this problem.

General Ayub has also on occasion indicated his awareness of this priority objective.

At the prompting of the Finance Minister, the planned purchase of three submarines was canceled, and Pakistan's one cruiser was decommissioned and is being scrapped.

On balance, the climate is more favorable for coping with the country's major difficulties than at any time in the past.

ICA REFORM PROGRAM

Since the advent of the new government, particularly, the mission has been trying to initiate a series of reforms in our program operations and some revisions in program content designed to strengthen the prospects for Pakistan's future and the effectiveness of our aid program in that country.

In this effort, we have developed a few criteria which I would like to cite and give a few examples.

In the first place, we have sought to impress upon the Government of Pakistan the fact that we look upon this aid program as a supplement to, not a substitute for, their own self-help efforts.

We have sought to impress upon them that they must assume a greater responsibility for what occurs in their country, and cannot indefinitely look to external support for the resources necessary to tide them over their difficulties.

This has been illustrated by the fact that in 1957 and 1958 the United States had provided something in the vicinity of 700,000 tons of wheat to West Pakistan. They asked us for 700,000 tons this year.

We reduced this figure to 450,000 tons in order to encourage them to make a greater effort to expand their own output.

They have excellent lands which, with better management and better utilization, could produce a great deal more wheat than they are now producing.

They have not made a very vigorous effort to attack this problem, depending largely upon U.S. deliveries of the amounts necessary to close the gap between what they have and what they need.

PAKISTAN'S IRRIGATION STRUCTURE

Senator CARLSON. Mr. Chairman, if Mr. Killen will pardon an interruption on this food situation, as I flew over Pakistan I noticed the development of a great irrigation program. There are some problems, as I remember, in connection with it, but there were main canals and laterals and a great area that looked to me as though it could be irrigated; maybe it is being irrigated.

What is the possibility of that being used to advantage to secure their food supplies?

Mr. KILLEN. Senator, of course, the use of irrigation and the existing irrigation structures in the whole Indus Valley area, including both the East and West Punjab, part of which is in India and part of which is in Pakistan, were originally initiated by the British over 100 years ago; it was about 1850 when they started constructing irrigation works in the Indus Valley.

That has been an irrigated area, large parts of it now, for a minimum of a half century.

But with all the irrigation, the yields on the average land in the Punjab is about 14 or 15 bushels per acre on irrigated land. This gives you some idea.

You know about wheat and what yields should be on good irrigated land. I know in the eastern part of my State in the Pelouse country in the State of Washington, they are getting 40 and 50 bushels on nonirrigated land.

METHODS OF FARMING

Senator CARLSON. Is that a result of the variety of seed they are planting or the variety of wheat, or is it some deficiency in soil or the method of farming?

Mr. KILLEN. It is all of these things. The seed varieties leave a good deal to be desired.

They are not using fertilizers; they had not traditionally used fertilizers.

The plowing is done with bullocks at 4- and 5-inch depths. Very little organic matter is put back into the land; there are long list of land management practices that have never been given the attention that they should be given.

Our people in our program are trying to stress more the importance of giving this kind of attention to the food production problem in West Pakistan.

Senator CARLSON. Mr. Chairman, unfortunately I made a 4 o'clock appointment, and I regret that I have to leave. I had the privilege of observing this section over a year ago, and of meeting Mr. Barrows, who is in charge of the Near Eastern Office in Saigon and is familiar with that great section; I am glad to see him again. Mr. Killen, I regret that I am going to have to leave; I shall read the record and I appreciate very much the statement you are making.

Mr. **Killen**. Thank you, Senator.

PAKISTAN SHOULD CARRY ITS SHARE OF THE LOAD

We have developed another criterion which to us seems important, namely, that in the provision of U.S. assistance, particularly technical assistance, we feel the recipient government must be encouraged to carry its part of the load in the performance of the various activities.

We had a case in point a year ago in which Ministry of Defense seemed unwilling to provide the budget, the personnel, and the facilities for a project we were financing in the improvement of aviation ground facilities, navigational aids, and a great many other related facilities.

We suspended shipments on that project, and sent our technicians home, telling the Ministry of Defense that in view of the very crippling shortfall in their performance, we felt that our resources were not being effectively expended.

They were very unhappy about this, and I am pleased to report that some months ago we were able to get that going again.

They have taken significant steps to improve their part of the operation, and we have resumed our part. I think the project will be concluded successfully.

It provides navigational facilities for all, both indigenous air line flying and the international lines that fly over Pakistan, and that stop at Pakistan ports.

Another point which has seemed to us of considerable importance is the need to seek to continue strengthening the organizational work done in advance of expenditure of U.S. funds on various capital projects or technical assistance projects.

We are strengthening our engineering staffs in the mission, and I think that as a result we are going to be able to do an even better job in this respect than we have been able to do before.

EFFECT OF STOPPING THE PROGRAM

Senator **Gore**. What would be the effect if the program were stopped?

Mr. **Killen**. Altogether?

Senator **Gore**. Yes.

Mr. **Killen**. Senator Gore, if you were to stop the program altogether in Pakistan, I do not think the country could survive it at this time.

I say that rather categorically. I just do not think the economy could stand the shock if this program were to be stopped.

Senator **Gore**. Could the economy have survived until now if there had been no such program?

Mr. **Killen**. I am very much inclined to say no.

Senator **Gore**. It would undoubtedly be on a different level and without defense expenditures. They would not be buying lots of tires and end items.

Mr. **Killen**. Certainly, with a per capita annual income of about $60 to $65, there is no fat in the economy to absorb the shock of a crippling loss of resources.

If the economic assistance which the United States has provided had not been provided, you are certainly correct in your statement that the country would not have been able to maintain the military establishment which it has maintained and into which it has put a great deal of its own resources in addition to those which we have put in.

USEFULNESS OF THE MILITARY ESTABLISHMENT

Senator **Gore.** Do you think the military establishment has served a useful purpose?

Mr. **Killen.** I think the question can be answered in the affirmative. The aide-memoire which was signed in 1954 establishing the military aid program reflected the extent to which the American Joint Chiefs of Staff considered the military establishment of a certain size in Pakistan to be desirable from the standpoint of our own strategic objectives.

Senator **Gore.** Our own strategic objectives aside for the moment, and viewing it strictly from the standpoint of Pakistan, would the program be necessary? Has it served in a decisive way to maintain territorial integrity and political independence of Pakistan?

Mr. **Killen.** I think the Pakinstanis would say yes, Senator. I am not trying to evade your question.

The fact remains that the Pakistani military is not supported in its entirety by the United States. We support five and a half divisions.

The entire Pakistani military is about seven and a half divisions. They presumably support these additional troops, over and above those we support, entirely from their own resources.

THREAT FROM INDIA

They contend that a military of this size is necessary for their defense against what they consider to be a threat of aggression from India; and the Pakistanis will at all times be very insistent that under existing relations with India it is necessary for them to maintain a military establishment of this size.

Senator **Gore.** Well, the United States is, in turn, aiding India to maintain such a threat, if it be such a threat.

Mr. **Killen.** At the end of my statement I have a comment on this. I think this is the $64 question on the subcontinent.

I think everything we do in the subcontinent, when all the underbrush is cut away, revolves around this question of the relationship between these two countries, our interest in the subcontinent, and the impact of what we do on what happens in the subcontinent, directly and indirectly.

We all know that both countries are significantly dependent on external aid for the resources to carry forward their own development and growth programs, and certainly in the case of Pakistan, their own military program. And I suppose there are many areas in the world where aid is being given or external resources are being applied directly or indirectly to a military establishment which in that country's view is absolutely essential in its own national interest, but yet which, in a broader sense, is pretty nonproductive in terms of the interests of the free world generally and us in particular.

Let me put it this way: I believe the provision of U.S. aid to both India and Pakistan should be undertaken in concert with those two countries in such a way as to seek some return in the way of an easing of the tensions between the two countries, and the possibility of a reduction of the military burden that both countries are carrying, largely because of their own bad relations.

Senator **Gore**. You say the burdens which they are carrying largely because of their own bad relations. It is a burden which we are principally carrying and practically because of their own bad relations, but I am not sure that what we are doing is helping the relations.

Mr. **Killen**. This can be argued. Of course, there are other points that must be kept in mind here.

PAKISTAN AND THE BAGHDAD PACT

Pakistan is the easternmost member of the Baghdad Pact; and the maintenance of certain defense forces for purposes of the Baghdad Pact functions and potential certainly has some importance.

A weakening of Pakistan's military strength—or her military establishment—because of an easing of relationships with India might well be justified. I believe it would be.

On the other hand, what a weakening of Pakistan's military potential would be in terms of its effectiveness or impact on the strength of the Baghdad Pact is another question. This calls for a judgment as to the effectiveness of the Baghdad Pact.

Senator **Gore**. The process of reaching that judgment is complicated. I had a look at most of the powers constituting SEATO, and I reluctantly came to the conclusion that it was about as strong as a paper cup with a U.S. label on it. I hope that is an immature and unrealistic judgment. I am not attempting to apply it to the Baghdad Pact. I hope the Baghdad Pact is stronger than I judge SEATO to be.

Would that be your opinion? Would you wish to make a comparison?

Mr. **Killen**. I do not feel that I am competent to make a comparison. Evaluation of military values and military strength is outside my purview, and I prefer not to try to comment on it for the record.

Senator **Gore**. You would not like to compare the comparative military strength and dependability of the military allies of Thailand and Pakistan, would you?

Mr. **Killen**. Well, let us go off the record, if we may.

Senator **Gore**. Maybe all of this had better be.

[Discussion off the record.]

NOT FEARFUL OF SOVIET AGGRESSION

Senator **Gore**. To what extent is the motivation for military strength motivated by apprehension of Indian aggression on the one hand, or Soviet aggression, on the other?

Mr. **Killen**. In all honesty, I think the Pakistanis do not think of the possibility of Soviet aggression. They are fearful of Indian aggression, and it is that threat that they cite as the need for maintaining forces in excess of those supported by the military aid program in the United States.

USE OF U.S. WEAPONS

Senator **Gore**. Then is it fair to presume that the bombers which, as I understand it, we are delivering or expect to deliver to Pakistan to be a part of a retaliatory force, are a threat or a possible aggressive force against India?

Mr. KILLEN. The scheduled delivery of light bombers to the Pakistan Air Force this year is in fulfillment of a commitment made in 1954 when the aide-memorie was initially signed.

It was agreed at that time that certain end items would be delivered to Pakistan over a time-phase period, and these deliveries would include a squadron of light bombers. So the deliveries planned for this year are in fulfillment of a commitment made in the fall of 1954.

Senator GORE. You still did not answer my question. You told me that they were in fulfillment of a 1954 decision, but what is the purpose of it? To strengthen Pakistan as a possible ally against Soviet aggression or to strengthen their hand for possible warfare with India?

Mr. KILLEN. Senator, I cannot answer that question. I can only say that this agreement was reached at the time the Baghdad Pact was initially established.

The whole concept of strategic defense that the Baghdad Pact was supposed to represent was deemed essential to the U.S. defense. It was agreed at that time that these forces would be given to Pakistan over a 4- or 5-year period.

There is no doubt that at that time the Pakistanis looked upon India as their greatest source of danger, and I have never detected on the part of the Pakistanis any particular tendency to misrepresent the situation. They tell you quite frankly that they consider the potential source of danger to be India.

At the same time, they are more than willing, they are eager, to associate themselves with their colleagues in the Baghdad Pact to constitute a defensive arrangement against the threat of Soviet aggression.

DIFFERENT MILITARY OBJECTIVES

Senator GORE. So our objectives in strengthening the military forces in Pakistan may have been different from the motivation of the Pakistanis?

Mr. KILLEN. I think that is quite probably an accurate statement, sir.

Senator GORE. What particularly disturbs me is in the picture you have given that here is a country that is spending more than half of its total national income on military establishments——

Mr. KILLEN. The total central government revenues.

Senator GORE. Well, thank you for the correction—in principal fear or preparation against—if fear is an unacceptable word—another ally of ours, which professes nothing but peaceful intentions.

Not only does this ally of the first part spend more than half its central governmental revenue, but our own taxpayers are spending a great deal.

Mr. KILLEN. I think this is the nub of the question on the subcontinent. This question has to be answered in the light of a great complex of considerations.

Perhaps the events in Tibet in recent weeks may cast a new light on the attitude toward the value of the Indian military establishment.

The Indians, of course, accuse the United States of giving military aid to Pakistan to build up forces primarily directed against India.

The Pakistanis accuse the United States of giving what they call massive economic aid to India which, in turn, releases India's free foreign exchange to buy Canberra bombers and other military end items for use against Pakistan.

It seems to some of us out in that part of the world who are charged with the administration of these programs, that we should, in our negotiations with the Pakistanis and with the Indians for the provision of economic aid, make it as clear as we can to both of these countries that we do not desire to see the resources we are making available for one purpose used directly or indirectly for another purpose which, in many respects, is at cross purposes with the first purpose for which the aid was initially given.

Senator GORE. I see no objection to making such a desire on our part known, but from what you say about the Pakistani attitude and purpose of armament, they accept our aid with whatever thanks and gratitude that may accompany it, together with the advice that we give, but proceed to strengthen themselves largely against India.

Mr. KILLEN. Of course, when I made my statement a moment ago, I implied that we should do some negotiating with respect to these measures when we make the aid available, or when we are prepared to make the aid available, if it can be made available, and under conditions which in whole or in part satisfy our objectives.

Senator GORE. As you perhaps know. I am new on this committee, although not entirely new to this problem due to 20 years that I have been in the two Houses of Congress.

I am not attempting to do anything more than to probe your own experience, observations and reactions. Lest time run out on us, you may proceed with the outline of your statement.

GREATER SELF-HELP

Mr. KILLEN. Well, I am very nearly at the end of this. I think all of these efforts both in our relations with the Government of Pakistan and in our own administration, should be designed to effect a better use of resources, to create a greater respect for the United States and for what it is doing.

This is, perhaps, the most important objective of all in the long run, that is; to engender, or to encourage by our actions and by our policies, the maximum measure of respect for us as a nation in what we are trying to do out there through the administration and provision of these aid programs.

We are trying to encourage the Pakistanis to make a greater self-help effort on their own part. And, of course, in the long run we are trying to improve Pakistan's prospects for her ultimate capacity to stand on her own feet.

I am inclined to feel that we must try to relate the magnitude of our aid to Pakistan to the magnitude of the effort she is making herself to help herself.

We—the mission in Karachi—said in our program submission for the fiscal year submission to Washington, that we did not believe any amount of aid which the Congress might provide would be adequate to do the job that needs to be done in Pakistan unless the Pakistanis made a vigorous effort to put their own house in order. We said that last August.

PAKISTANI REFORMS

The change of government took place in October, and in the months since that time, there is good reason to believe that General Ayub's government is making that effort on their part.

They have inaugurated a great many measures designed to strengthen their whole economic and political structure within the country, and my own feeling—and I think this is shared throughout the agency by my colleagues—is that our attitude in the future toward aid to Pakistan either in the more nominal amounts or in extraordinary amounts should be determined in the light of our judgments as to what the Pakistanis are doing, and how successful they are in coping with their own problems.

I think that if we are correct in this respect, it follows that we should be more responsive to Pakistan's need for assistance; and that need is very great indeed, as we can see from the fact that the government is exerting itself in this direction.

For several years to come Pakistan is going to require continued and heavy injections of external assistance. Even assuming the desired performance on her part, if the present military posture is to be maintained without bringing in its wake well-nigh disastrous consequences in her internal economy, this is, I believe, reality of the present scene which cannot be pushed under the rug, the variables which should and could influence the magnitude of U.S. support or the complex of factors which will determine the size of the military and the vigor of the country's efforts to help itself.

PAKISTANI-INDIAN RELATIONS

The last point I wish to make deals with what we have been talking about. It concerns the status of Pakistan-India relations. Given the consequences of these relations, the U.S. cannot be unmindful of the extent to which the present situation is a counterforce to the effort which our military and aid programs are designed to support.

Knowing this, the problem becomes one of determining how U.S. influence and U.S. aid can be utilized to reduce these tensions and to enable U.S. resources to play a more constructive role in the subcontinent as a whole.

The continuing need of both countries for assistance, plus the probable additional need to, perhaps, help underwrite any settlement of the Indus waters dispute, certainly may present a suitable occasion for seeking some easing of these tensions and the waste associated with them.

This seems to me to be the all-important problem to which we should be directing our attention on the subcontinent. I think our interests are the same in India as they are in Pakistan.

To have two countries exhausting substantial amounts of resources—part of which we are providing—in their own disagreements, is a situation which represents a weakness, a vulnerability in the subcontinent that holds no promise for U.S. objectives and purposes in Asia as a whole.

I think our people generally are aware of this, and I am hopeful that more specific and concrete action can be initiated in the months ahead to deal with it.

The Indus waters dispute is now 7 years old, and the World Bank is seeking to find a formula by which that dispute can be settled. Mr. Black of the World Bank is going to Delhi and Karachi next month, I believe, to discuss it with the two governments.

It is going to be a costly settlement, if this matter can be settled, costly beyond the resources of the two governments to finance; it is quite likely that the United States will be asked to assist in the financing of this very difficult problem created by partition.

This, it seems to me, would provide another occasion to encourage some improvement in the relationships between the two countries if this one of two serious sources of conflict can be resolved, the other, of course, being Kashmir.

So I think this year has some promise of constructive action in this respect, and it is an opportunity which I hope we will be able to take some advantage of.

ASSESSMENT OF GENERAL AYUB

Senator GORE. Is it fair to deduce from your statements that you hold the government of General Ayub in high regard?

Mr. KILLEN. I would answer that, yes, Senator, as compared to the governments that have preceded the government of General Ayub.

Senator GORE. Of course, the question is couched in recognition of the prevailing situation, and it can be answered only comparatively.

Mr. KILLEN. Yes, sir.

Senator GORE. Is General Ayub generally regarded as a man of personal integrity? Is he generally thought to be free of graft, or is he part and parcel of the Asiatic attitude toward public service?

Mr. KILLEN. That question can be answered very easily and categorically. He is held in high regard. He is a man of the highest personal integrity. He represents the finest traditions of Sandhurst, beyond a shadow of a doubt.

He is one of the few remaining military men in Pakistan who were subjected entirely to British military training—the military looked upon as non-political—and all through the period of 1947 to 1958 when the political situation in Pakistan steadily deteriorated, General Ayub, as Commander in Chief of the Pakistan Army, remained completely and totally aloof from all of the political machinations that were carried on.

He moved in on the situation, as he has said to us privately, and I think we can believe that he felt that the army was just about the remaining reservoir of integrity in Pakistan; and one of the reasons he has gone slow in establishing the army throughout the administrative structure of the country has been his fear that the army would become contaminated if it were exposed to the daily run-of-the-mill political administrative problems that it would face under those circumstances.

No, General Ayub is a man of integrity and competence, and of the most sincere and sound motivation. We have no fear on that score.

Senator GORE. That is good; that is more encouragement to me than anything else you have said thus far.

AYUB'S ATTITUDE TOWARD POLITICAL OPPOSITION

What is his attitude toward political opposition?

Mr. KILLEN. He has said that he wants to establish within the next 2 or 3 years the return to constitutional government.

The Foreign Minister [2] is devoting more of his time to the development of internal political institutions and structures than he is to the foreign problems of the country.

He is a Lahore lawyer whom I know very well personally, and for whose integrity I also have very high regard.

He wants to see the return of constitutional government in Pakistan, but he and the General want to see it on what they call a workable basis.

They feel that with 85 percent illiteracy in the country, it is going to be a long time before they can have a popular mass franchise. They are trying to devise representative arrangements by which they can get a reflection of popular opinion, and elections of public officials, ministers and legislative representatives through what you might call an electoral college type of structure built up from the villages to the districts to the regions to the provinces.

Senator GORE. From what you say of the caliber of citizenship—the economic poverty of the country, and the political ignorance—was there ever any real hope that a democratic society could thrive or was dictatorship in some form inevitable?

Mr. KILLEN. Well, the record states clearly that the kind of political structure which existed prior to the 7th of October was not able to establish a stable government, and there was a growing feeling throughout the country in all ranks and in all walks that some more authoritarian type of government under proper leadership was becoming well-nigh imperative.

POPULAR OPPOSITION TO THE GOVERNMENT

Senator GORE. Is popular opposition to General Ayub and his government detectable? Do you find it expressing itself among the people? Is it repressed? Does it exist? If it exists, how does it manifest itself?

Mr. KILLEN. It exists in the person of former politicians whom this government has somewhat limited in their freedom of opposition.

Senator GORE. Freedom of opposition?

Mr. KILLEN. They do not have the freedom to organize opposition to this government. They would get into trouble if they attempted it.

Senator GORE. That is not a very healthy attitude. General Ayub does not have an acceptable attitude toward political opposition from our standard.

Mr. KILLEN. No. He alleges that this is a temporary phenomenon necessary to effect the transition to a more stable political structure. This is the rationale he gives for his actions.

Senator GORE. Did not Franco say that some 20 years ago?

Mr. KILLEN. It is said by everybody who takes this path, as far as I know.

It seems to me, Senator, the relevant question is whether the structure that prevailed prior to the coup of October 7 was providing a better basis for the development of free political institutions.

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[2] Manzoor Qadir.

Had the coup not taken place and the elections on February 15 taken place, it is possible that the beginning of a more solidly based political structure could have emerged. That is in the realm of speculation at this point.

Today the people in the country at large are generally very much in support of the General and his government. How long that will last is anybody's guess. He says that he has, he believes, 3 years to establish again a proper basis for constitutional government. He says he can do it in 3 years' time.

Senator GORE. What is his age?

Mr. KILLEN. Fifty-four.

EFFECT ON AFGHANISTAN

Senator GORE. What effect if any has this military capability in Pakistan had on stability in Afghanistan?

Mr. KILLEN. I do not think the change in government has had a particularly good effect on attitudes in Afghanistan.

The old Government in Pakistan had worked out some agreements, with our help. The transit agreement was initiated under the old government, seeking to remove some of the obstacles to transit trade for Afghanistan through Karachi and over the railroads of West Pakistan.

The former president, Mirza,[3] had established reasonably good relations with the King of Afghanistan.

Our political people are of the opinion that Ayub has been a little derelict in his relations with Afghanistan, and that relations have, perhaps, deteriorated somewhat. Whether this is just a temporary phenomenon or it will be a lasting one is unknow.

Qadir is very much concerned about relations with Afghanistan, and our judgment is that over the next 6 months the Ayub government will make a determined effort to improve the situation, which is not entirely satisfactory now.

Senator GORE. Assuming the average amount of receptivity, could I spend a week in Pakistan and Afghanistan and get a reasonably accurate feel of the situation, or would a longer period be required?

Mr. KILLEN. We always say, Senator, that in a week anyone becomes an expert on the situation, and in a month they become confused.

Senator GORE. Well, then, I want to be expert.

Mr. KILLEN. But I think that anyone who spends a week or 10 days in serious conversation with people on both sides would certainly get a good deal of that situation.

Senator GORE. I would think that to be the case, although one runs the risk of giving undue value to first impressions. First impressions in human relations are sometimes the very best and most reliable, but not always on political questions. But anyway, if I could I would like to have the opportunity, but I do not know how I could spend more time than a week.

Mr. Killen. We certainly would like to see you come out.

Senator GORE. I would like to get a feel of the situation. Adequate or inadequate, some observation is better than none.

Mr. KILLEN. I think it could only be beneficial.

Senator GORE. Thank you; that is better language than I used.

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[3] Maj. Gen. Iskander Mirza served from August 1955 until October 1958.

FUNDS COULD BE BETTER SPENT

As we have talked here I have wondered if General Ayub could not take the amount of money which he is spending and which we are spending on bombers, jeeps, tanks and guns and accomplish far more in securing the ultimate security of his country, in education, conservation, and food production. Maybe that would do violence to the strategic concept of the Pentagon or those who conceived the Baghdad Pact, but it is an unresolved question in my mind, and I wonder if it is in yours.

Mr. **Killen**. I think anyone who is directly associated with the kind of effort we are engaged in out there cannot help but be continually asking this question.

Pakistan, of course, is a sovereign state and makes its own judgments as to how its resources can best be allocated in the light of its estimate of its own national interests. They may be completely wrong, but they do feel that the threat of Indian aggression is very real, and of course the events of the other day do not tend to reduce these fears.

Senator **Gore**. What events?

Mr. **Killen**. An Indian plane, one of those Canberra bombers, that flew over northern West Pakistan was shot down by the Pakistani Air Force.

That may have been a perfectly harmless event in which a navigator got off the track. I am not holding any brief for the position of one party or the other, but this sort of thing does tend to exacerbate tensions.

The question I ask is simply this: We have been putting aid at a certain rate into Pakistan, with military aid; other countries have been putting aid into Pakistan. Pakistan has been trying to make some of her own resources available.

All of these resources have gone into the efforts to expand the economy; yet the rate of expansion has been sufficient only to maintain a constant per capita income. In other words, no significant progress has been made in raising the standard of living of the people of Pakistan through these aid programs.

We have just held our own.

If this is the case, and the dependence of Pakistan on this external aid continues to grow, what is the end of the road? Where are we going? Where are we headed?

The answer that you frequently get to this question is that we are buying time. We are meeting our objective of keeping Pakistan in the free world community.

There is no deterioration of her already meager standard of living; therefore, the program is successful.

This is successful if you are prepared to assume that for the indefinite future you will continue to put in aid year after year to close this gap which cannot be closed by her own resources.

Senator **Gore**. I am hardly ready to accept that assumption or make a decision based upon it. We may find it necessary, but I would not like to rush into a decision couched upon such a presumption.

DIFFERENCE BETWEEN TECHNICAL AND MILITARY AID

I understand that of the ICA requests next year, only $8 million is for technical assistance?

Mr. KILLEN. That is right, sir.

Senator GORE. Military assistance is vastly greater, $160 million, is it not, or some such amount?

Mr. KILLEN. Sixty-five million dollars for next year.

What is the total request? We are asking for $95 million for defense support, $8.2 million for technical assistance, and $62 million for military aid.

Senator GORE. I must say that is hard to explain.

A preliminary judgment on my part would be that that is a very unbalanced program. But I suppose that the program is, as you have said, made up after review and careful consideration with Pakistan, an independent and sovereign nation, whose assessments of her needs may be considerably different from our assessment of her needs.

I take it if you were left free to make your own assessment, from all that you have said you might not arrive at just this proportion.

Mr. KILLEN. No; I think it might be a little different.

Senator GORE. A little different? Do you think we should be as substantially overbalanced in military aid, defense support, and so forth?

Mr. KILLEN. Well, let us make sure, Senator, that we understand what the meaning of these terms is.

We do have to take into account in the determination of these levels the attitudes of the Government of Pakistan. They feel that the strengthening of their military establishment is all-important in terms of their national self-interest.

When we talk about defense support, this is economic assistance which is put into the economy to make possible the release by the Pakistanis of resources in support of their military.

In other words, this is to compensate them, in whole or in part, for the resources which they put into their military establishment.

So this defense support is not exclusively used for the military establishment. It supports the entire economic base of the country.

GREAT DISTURBANCE ABOUT THE PROGRAM

Senator GORE. I will not undertake to minutely examine the aid program with you. I am sure I have never voted against passage of one of the mutual assistance programs.

I must confess a great disturbance about its makeup, its ultimate value.

As I have said to you, I would not want to reach a conclusion based upon a decision to continue such a program indefinitely. Just how long should the taxpayers of this country continue to build up the military potential of both India and Pakistan, nations whose friendship we covet, enjoy, perhaps, in our equal degree?

It is a paradox, a perplexing one.

LOANS FOR PAKISTAN

Mr. KILLEN. Senator, I would like to mention one final point in the context of what the total aid program for Pakistan looks like. Of course, in this presentation it is not included, but a significant element of the total economic aid to Pakistan which the U.S. Government can provide is that of the Development Loan Fund.

During the past year there has been some $60 million in loans approved for Pakistan which are repayable in rupees.

These represent the great contribution that we are making to broadening the productive base of the economy in capital projects and which over a period of time certainly should have a significant impact on the capacity of the country to support itself or to stand on its feet.

That request for appropriation comes to you separately.

Senator GORE. Yes; I understand that.

It seems to me we ought to be using the rupees in sending some people and organizing movements for proper conservation practices and production of foodstuffs so the Pakistanis could at least be self-sufficient in foodstuffs.

Mr. KILLEN. We are now doing that extensively, sir, under our technical assistance program.

Senator GORE. With what success?

Mr. KILLEN. Limited but hoped-for success.

Senator GORE. Would a greater effort promise greater hope?

Mr. KILLEN. Greater effort measured just in more people, no. Greater effort measured in a greater receptivity on the part of the Pakistanis to our assistance, yes; and the thing we are trying to do is convince the Government of Pakistan of the urgency that it make a greater effort itself; that it overcome some of the roadblocks of its own making that stand in the path of the progress.

I am very hopeful that this coming year we shall be more successful in this respect than we have in the past.

But I can assure you that our program in Pakistan does include a vigorous attack on this food shortage, and we are doing everything we feel we can to encourage the Pakistanis and to help them deal effectively with it.

Senator GORE. Well, your appearance has been very helpful. I am glad we have a man of your talent and dedication in your position. Thank you for coming and Godspeed on your return.

Mr. KILLEN. Thank you, Senator.

Senator GORE. I hope I can see you over there sometime this fall.

Mr. KILLEN. Come out and see us.

[Whereupon, at 5 p.m., the subcommittee adjourned.]

THE NOMINATIONS OF CHRISTIAN A. HERTER, CLARE BOOTHE LUCE AND OGDEN REID

TUESDAY, APRIL 21, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to recess, at 11:35 a.m. in room 4221, New Senate Office Building, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Morse, Gore, Church, Wiley, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson and Mr. St. Claire of the committee staff.

CONSIDERATION OF NOMINATIONS

The CHAIRMAN. I will entertain a motion with regard to the Secretary of State. What is the will of the committee with regard to him?

Senator WILEY. Move he be reported.

Senator SPARKMAN. Second the motion.

The CHAIRMAN. It has been moved and seconded that we approve the nomination of Mr. Herter to be Secretary of State.

I only remind the committee about our 6-day rule and wish them to be aware of it.

Senator HICKENLOOPER. I amend that motion in order to confirm, making the motion that we waive the 6-day rule.

Senator MORSE. Second.

The CHAIRMAN. You have heard the motion. The Senator from Iowa moves that we waive the 6-day rule, which is the standing rule of this committee, and proceed to confirm immediately the nomination of Mr. Herter for Secretary. Is there any discussion?

I would only like to say that I think that rule is a good rule and I shall certainly go along with it in this case, but want the record to be very clear that it is because of the rather unusual circumstances growing out of the illness of the Secretary and the coming of an international meeting of great importance. I only want the record to show that this is not a precedent for waiving it. It is not just for the convenience of the executive or anybody else; there are very special circumstances that warrant it in this case.

Senator HICKENLOOPER. Mr. Chairman, I thoroughly agree with that. The rule is a good one and we should be very careful about exceptions to the rule. I think this is one of the cases where an exception is justified.

POSTPONEMENT WOULD BE A GREAT DISSERVICE

Senator **Morse**. Mr. Chairman, I seconded the motion for that reason. I think we would do a great disservice to our country psychologically if it went out to the world that there was any postponement of the confirmation of this nomination. I think it is important that he be confirmed at the earliest possible hour, but I shall ordinarily object to any waiving of that rule.

Senator **Aiken**. I will go along with that. It is bound to strengthen the Secretary's hand in dealing with other countries.

Senator **Wiley**. I think a philosopher once said that rules were established in order that you can have exceptions.

Senator **Sparkman**. It is the exception that makes the rule.

Senator **Church**. Rules are made to be broken.

The **Chairman**. Is there any other discussion?

Senator Gore?

Senator **Gore**. Mr. Chairman, I am new on the committee and regret that for the very first nomination we waive a standing rule. I thought the delay in designation of Mr. Herter, unless there were some real question about his nomination, was inexcusable and damaging; but I think that damage to Mr. Herter would only be compounded by delay on the part of this committee. Therefore, I support the motion, but with the reservations which have already been voiced around the table.

The **Chairman**. I am very glad everyone does because I don't want any doubt to arise out of this record that we are going to be waiving this on any and every occasion that comes along.

I think that these circumstances are very special.

VOTE ON THE MOTION

Senator **Wiley**. Can we vote, Mr. Chairman?

The **Chairman**. I want the record to show that we have received permission to sit now while the Senate is in session so that there will not be any question about it. Are you ready for the motion?

Senator **Morse**. Rollcall, Mr. Chairman.

Mr. **St. Claire**. Mr. Green?

The **Chairman**. I have Mr. Green's proxy by telegram this morning. I vote him aye.

Mr. **St. Claire**. Mr. Sparkman?

Senator **Sparkman**. Aye.

Mr. **St. Claire**. Mr. Humphrey?

[No response.]

Mr. **St. Claire**. Mr. Mansfield? Mr. Morse?

Senator **Morse**. Aye.

Mr. **St. Claire**. Mr. Long? Mr. Kennedy?

The **Chairman**. Kennedy, "aye", Kennedy and Lausche, both.

Mr. **St. Claire**. Mr. Gore?

Senator **Gore**. Aye.

Mr. **St. Claire**. Mr. Lausche?

The **Chairman**. Aye.

Mr. **St. Claire**. Mr. Church?

Senator **Church**. Aye.

Mr. **St. Claire**. Mr. Wiley?

Senator **Wiley**. Aye.

Mr. **St. Claire**. Mr. Hickenlooper?

Senator **Hickenlooper.** Aye.

Mr. **St. Claire.** Mr. Langer?

The **Chairman.** Aye.

Mr. **St. Claire.** Mr. Aiken?

Senator **Aiken.** Aye.

Mr. **St. Claire.** Mr. Capehart?

[No response.]

The **Chairman.** Mr. Capehart votes aye.

Mr. Carlson?

Senator **Carlson.** Aye.

Mr. **St. Claire.** Mr. Chairman?

The **Chairman.** Aye.

CONTACT ABSENT SENATORS

Who did you not register there?

Mr. **St. Claire.** Mr. Humphrey, Mr. Mansfield.

The **Chairman.** I know Mr. Mansfield wants to be recorded.

Senator **Morse.** I would like to suggest, Mr. Chairman, before there is any release to the press of the vote, we ought to get those offices on the phone right away and get their authorization to vote them because I am sure they would so vote.

The **Chairman.** Will you call Mr. Mansfield and Mr. Humphrey? I am confident they want to vote but I don't have any authority to vote them.

Mr. **St. Claire.** Mr. Long and Mr. Humphrey, sir, those are the two.

The **Chairman.** Call their offices.

Senator **Church.** Mr. Chairman, I am scheduled to give a talk on the floor of the Senate and I need to be excused for that purpose. May I leave with you my proxy to vote affirmatively on recommending out the appointment of Mrs. Luce?

The **Chairman.** Yes, you may. Until we receive word from them, I would rather not announce that vote.

I think it ought to be unanimous, if the sentiment of the committee is that which I believe it to be, so that with the permission of the committee the motion is passed, but we will hold it up pending word from Mr. Mansfield and Mr. Long's offices.

THE NECESSITY OF SPEED

Senator **Sparkman.** Mr. Chairman, it seems to me that speed is a good thing in this nomination. I think time is of the essence. Too much time has been lost already. I wonder if it would not be a good thing to consult with the leadership to see if the Senate can confirm this today.

The **Chairman.** By unanimous consent I believe it could.

Senator **Sparkman.** By unanimous consent it could, and I suppose if the leadership asked unanimous consent it would be granted.

Senator **Morse.** If we recommend it to the leadership as the Foreign Relations Committee, I think it would have terrific influence.

Senator **Sparkman.** I was going to suggest that if the committee felt that that was a good thing to do, the chairman and the ranking minority member be requested to consult with the leadership.

Senator **Morse.** I second that motion.

The **Chairman.** All in favor say aye.

[Chorus of ayes.]

The **Chairman**. Opposed, no.

[No response.]

The **Chairman**. The motion is carried. I will be very glad to do that. When we adjourn I will go over and talk to the leadership. I hesitate to take this other action unless Mr. Mansfield positively says it. As a precedent, I don't like to vote anybody when he has not told me I have his proxy, and yet I don't want to announce its being unanimous. Pending the report of the telephone calls on those, will you call Senator Langer? He wished to be notified if we were to take up Mrs. Luce.

NOMINATION OF CLARE BOOTHE LUCE

However, are all of you ready now to vote on Mrs. Luce?

Senator **Morse**. Mr. Chairman, I don't want to seem to be an obstructionist, but whenever you suggest a delay, I suppose you submit yourself to that charge. Mrs. Luce has filed a supplemental statement and I am preparing an answer to it which I want to present to the committee. I won't have it prepared until Thursday, and I would like to have it go over until Thursday.

The **Chairman**. I think we originally said we might go as long as Thursday but we would vote earlier if it was agreeable.

I think that is permissible if there is any objection by the committee. We originally said that we might not be ready until Thursday.

Mr. Langer asked for an opportunity to be heard and he also left instructions that before we took it up this morning he wanted to be notified.

He left that with you, didn't he, Carl? Did he leave the request with you that he wished to be notified so he could be here if we were going to take it up?

Mr. **Marcy**. Yes, sir.

The **Chairman**. Senator Morse says he objects to taking it up now.

Senator **Hickenlooper**. Mr. Chairman, so far as I am concerned I am ready to vote right now, but Senator Morse has raised some issues and he feels that he should have some time to canvass those issues on some kind of a reply. I think it is a privilege that ought to be extended to any member of this committee.

Senator **Morse**. I appreciate that.

Senator **Sparkman**. Mr. Chairman, I should like to point out that at the meeting last week I raised that very possibility, that a supplemental statement might call for an answer, and I suggested then that we set it for further discussion.

The **Chairman**. I don't think the Senator is asking for anything out of the way. We stated that it probably would take until Thursday to have the record printed and get everybody informed. It so happened that they got it printed earlier than they expected, and without objection I would be ready this morning.

But with objection I think it is proper that we go to Thursday. We are as a matter of fact scheduled to hear Admiral Felt Thursday anyway, so the committee can gather and we should be prepared to vote then. Then Senator Langer can be given notice, so I think we will vote on Thursday if it is agreeable.

NOMINATION OF OGDEN REID

Senator AIKEN. Another matter, Mr. Chairman. I read in the paper that I was urging early hearings on Mr. Reid. I am sure that came as a surprise to the chairman and me, but nevertheless it was there and I was wondering if there are any plans for a hearing on the nomination of Ogden Reid as Ambassador to Israel.

The CHAIRMAN. No, not yet; but there should be in the next few days. Senator Wiley spoke to me and Senator Hickenlooper.

Senator HICKENLOOPER. I spoke to the chairman about it. Maybe they got us mixed up, George. On the Reid matter, I primarily feel that the nomination is here and unless something unforeseen occurs, which I don't anticipate, I expect to support the nomination.

I am very favorably impressed with him. But I do feel that we ought to proceed to get it out of the way, take action on it.

Senator MORSE. I agree.

The CHAIRMAN. We can arrange it in the near future.

Senator AIKEN. I think it should be voted up or down. I don't know him.

Senator CARLSON. Mr. Chairman, I would like to be included among those who would urge early consideration of it. I have known Ogden Reid and his mother and family for many years. He is not new to me and I agree with others that if there is some reason that he should not be recommended for confirmation, that is fine; but personally I don't know of any and want to vote to get it out as soon as possible.

The CHAIRMAN. We will communicate with him and the Department.

[The committee then considered H.J. Res. 254, "To authorize participation by the United States in Parliamentary conferences with Canada," and after amending it in two instances, voted to report it to the Senate unanimously.

The committee discussed the advisability of reporting two resolutions, one Senate and one concurrent, accepting the invitation to attend the meeting of the Commonwealth Parliamentary Association in Canberra, Australia, in November, whereupon it was ordered, by voice vote, that the staff be instructed to prepare and report such resolutions in the name of the chairman. It was mentioned by Senator Aiken that this invitation might be tied in with one received from the Government of Indonesia to visit that country in the fall.]

NOMINATION OF CHRISTIAN A. HERTER

The CHAIRMAN. Have you any word?

Mr. MARCY. Everyone has voted "aye" except Senator Long and we have not been able to get him.

Senator AIKEN. It is still unanimous.

Mr. MARCY. We got his office and they hesitated to cast his vote without checking with him.

The CHAIRMAN. Then we will report it unanimous of all those contacted with Mr. Long absent.

Senator HICKENLOOPER. I would suggest that we get in touch with Long and if he wants to be recorded he be given that privilege.

The CHAIRMAN. The press wants to know now.

Senator AIKEN. Except for one member who could not be contacted.

REQUEST TO HAVE HEARING PRINTED

Senator **Wiley**. I move that the record that was made today be printed.

The **Chairman**. Is there any discussion? This is the record of the open hearing.

Senator **Wiley**. Yes.

The **Chairman**. It can't be printed in time for action on the floor if you are going to do it right away, Alec.

Senator **Wiley**. The only point is you printed the Luce record. I have it in my pocket. That is what I am talking about. I think the questions today by Morse convinced Senator Morse he should vote for him.

I think it is a darn good thing.

Senator **Morse**. I announced at the beginning I was going to vote for him.

Senator **Sparkman**. Alec, isn't it just as good to have it as a transcript in the committee's files?

The **Chairman**. We hope to vote on this before you could possibly have it printed.

Senator **Wiley**. I am not asking you to delay the vote.

The **Chairman**. You would rather we go on and vote today if we can.

Mr. **Marcy**. Senator, if I could just say this: There will be a great deal of interest of people to see what was said during the hearing today, so for the next year people will be saying "what did Mr. Herter say?"

It is just a matter of having it in a convenient form.

Senator **Aiken**. I see no need to have this printed before our taking action, though.

Senator **Sparkman**. I don't think that was the idea, George. Just have it printed for limited distribution as they request it.

Mr. **Marcy**. Yes. I think when Mr. Dulles appeared before the committee, that was printed.

Senator **Wiley**. The newspapers, gentlemen, were all here. They will be reporting their version of it.

I think what is necessary is that we have the correct record. Otherwise there will be a great deal of misinterpretation. That is the only reason I suggested it.

Senator **Morse**. You are asking to have it printed as a document but go ahead and vote now.

Senator **Wiley**. At least if you call this a document of the Luce business.

The **Chairman**. We have just had word Long does vote aye, so it is unanimous.

I have no objection to that. I thought you meant to have it printed before we vote.

Senator **Wiley**. No, no.

[Whereupon, at 12 noon, the committee adjourned.]

MUTUAL SECURITY ACT OF 1959 (ASIA)

THURSDAY, APRIL 23, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, at 10:40 a.m., in room F-53, U.S. Capitol Building, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Morse, Lausche, Hickenlooper, Langer, Aiken and Capehart.

Also present: Messrs. Marcy, Holt, Denney, and St. Claire of the committee staff.

[This transcript was published in 1959 with deletions made for reasons of national security. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page numbers, in brackets, are to the previously published text.]

STATEMENT OF ADMIRAL HARRY D. FELT, COMMANDER IN CHIEF, PACIFIC

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SOVIET THREAT TO JAPAN [P. 7]

Admiral Felt. What I am trying to depict here is the threat in the immediate area of some of our friends and allies.

First, Japan. Now, the threat is from the Soviet Union in this case, the maritime provinces across the Japan Sea.

The Russians have 36 divisions, 141 combatant ships, and 2,650 jet aircraft.

Senator Green. As of what date is that?

Admiral Felt. As of now, sir.

These jet aircraft, of course, are a mixture of defensive fighters and jet bombers.

Now, on our side, the JSDF [Japanese Self Defense Force] has 8 divisions, only 9 combatant ships and a grand total of 48 jet fighters.

United States—the 7th Fleet uses bases in Japan.

The U.S. Air Forces have 303 jet aircraft and some other tactical aircraft that are not jet, like troop carriers and air refuelers.

Also based in Japan are some of our Marine aircraft, a Marine Air Wing, a couple of them with 247 aircraft.

Now, numbers-wise, that looks bad. We are not trying to meet the Russians number for number, as you well know. Our objective is to create in the mind of the Soviets a feeling that if they tried something, they would get awfully badly hurt.

Senator Aiken. Did the Sidewinder have a psychological effect on them?

Admiral FELT. Oh, yes, very much so. When we get to Taiwan we will cover that.

Senator AIKEN. Thank you.

Admiral FELT. You notice I just said the 7th Fleet. The 7th Fleet does not maintain itself off Japan all the time. It cruises up and down the whole island chain.

THREAT TO SOUTH KOREA [P. 7]

Next is in Korea, where we have a suspended state of war; we have a demilitarized zone, and two armies facing each other across a demilitarized zone.

The North Korean Army consists of 18 divisions, a small inconsequential Navy, but, significantly, 600 jet aircraft, all brought in in violation of the armistice, on fields which have been built since the armistice.

This is a significant air force. These are North Koreans.

The Chinese Communists, although they have retired out of North Korea, have retired only just across the border in Manchuria, and they have to be considered because they can very quickly come back. You can see here where 500,000 of them, 24 divisions, are.

Opposing them, deterring war, or further outbreak of war in Korea, is the ROK Army of 18 divisions. An excellent army, trained by us, one of the best armies in the world; a very small coastal type of navy, one division of ROK Marines, and a very small air force, three jet fighter squadrons and some other planes.

Now, those figures I think depict the vulnerability of South Korea to air attack. The United States maintains in Korea two divisions and a missile command and rotates into Korea an Air Force squadron, and the Air Force maintains a tactical missile group, that is the Matador missile.

I'd like to point out at this time, gentlemen, the importance of those two Army divisions. People come to me and say, "Is it possible to remove those two Army divisions?"

Well, of course it is physically possible, but it would be disastrous from a diplomatic-morale point of view to remove those American soldiers.

These Koreans will stand fast. They will fight for their country, but I know that part of the stiffness of their backbone is created by seeing those Americans alongside of them.

KOREANS IN U.S. ARMY DIVISIONS [P. 8]

Senator MANSFIELD. Admiral, how many Koreans do we have in these two divisions?

Admiral FELT. In numbers of people?

Senator MANSFIELD. Yes. They are not all U.S. divisions, are they?

Admiral FELT. Do you mean in the two divisions?

Senator MANSFIELD. Yes.

Admiral FELT. Yes; we do have some Koreans in those divisions. The number is on the order of 15,000, out of a total of about 40,000 or 45,000, two army divisions.

Colonel WHITNEY. In the divisions, it would be close to 26,000.

Admiral FELT. Say, 30,000.

Senator MANSFIELD. 30,000?

Admiral FELT. They were put in there originally to take care of the housekeeping and logistics. Now they are also a part of the combat elements.

Senator MANSFIELD. To get the figures straight, 15,000 out of 30,000?

Admiral FELT. Those are good figures.

I do not like this. I think that these two army divisions should be U.S. Army divisions instead of a composite of U.S. and Korean, not because the Koreans are not good soldiers, but I think they should be U.S. divisions.

Senator LAUSCHE. Why are they mixed? If it is your judgment that it should be just composed of U.S. soldiers——

Admiral FELT. The concept originally was one of mixing Koreans into the divisions to assist with the logistics and housekeeping chores, so that the rest of the division could be pure combat. Because of personnel restrictions on the U.S. Army, they have gradually put more Koreans into these divisions.

Senator MANSFIELD. You mean personnel restrictions back here which have meant the reduction of the Army from 925,000——

Admiral FELT. Yes; correct.

Senator MANSFIELD [continuing]. For the last fiscal year to 875,000 this fiscal year? Substituting Koreans is one of the ways we are taking up the slack?

Admiral FELT. That is correct, sir. Personnel limitation is put on the Army here in Washington, and the Department of the Army, in taking their administrative actions, takes steps like those.

Senator MANSFIELD. That doesn't sound reasonable or feasible to me.

Admiral FELT. From my point of view as a commander, and being responsible in this area, I would prefer that those two divisions be U.S. divisions all the way through.

Senator LAUSCHE. When you say you prefer they be complete U.S. divisions, what would be better about it? Describe why it would be better.

Admiral FELT. I think from a combat point of view that they would be more cohesive, and we have to look to the day when we may find other uses for these two divisions.

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CHINESE COMMUNIST MILITARY BUILDUP [P. 9]

Now, Taiwan: Across the Taiwan Strait from Taiwan is a Chinese Communist Army well equipped by the Soviets with 27 divisions. They are gradually building up a navy, and it is getting to be a fairly good one.

In this navy we now find 21 submarines, plus an assortment of amphibious patrol and coastal vessels. I think it is interesting also, gentlemen, to notice that in this navy is the naval aviation which is equipped with modern jet fighters and bombers.

You will notice the figures here, 500 jets. And a good air force, equipped with Soviet high-performance airplanes.

These figures are sensitive figures. This is the order of battle I am giving you, and I am giving you this because we are in executive session; that is all right, is it not?

The CHAIRMAN. Yes.

Admiral **Felt**. These figures are the airplanes which are within combat radius of Taiwan. This is the threat we have to think of every day out there.

Senator **Mansfield**. Admiral, are the ports of Foochow and Amoy still bottled up?

Admiral **Felt**. Oh, no; I wouldn't say they are bottled up, sir. The ships go in and out of there all the time. If a Chinese Communist ship goes in and out, the Chinese Nationalists on Kinmen take a shot at them, but they are not bottled up, there is commerce going in and out of there.

Senator **Mansfield**. But strategically, could they be bottled up in a hurry?

Admiral **Felt**. It is sort of a standoff now. The Chinese Nationalists certainly have some artillery and some powerful and good artillery on the Kinmen Islands. On the other hand, there is a terrific fortification on the mainland side. The artillery on the mainland side is something on the order of 10 to 1, compared to the Chinese Nationalists on the little islands.

On our side in Taiwan the Chinese have 21 divisions, four combatant ships, plus some amphibious and small craft; a marine division and an air force which is much smaller than the Communist air force, equipped with aircraft that are, performancewise, not as good as the MIG's which the Soviets have provided the Chinese Communist with, but trained much better.

And you know the results of last fall, when they had a consistent record of shooting down MIG's.

The **Chairman**. Why do the Soviets provide better planes than we do? Don't we have as good planes as they do?

Admiral **Felt**. The MIG series came along a little ahead of our series. We are now starting to provide the Chinese with the Century series. It is a slow program. This is one of the reasons why we think that the military assistance budget and our allocation of it isn't quite adequate this year.

On the U.S. side, I have put in here Okinawa, because Okinawa is in close support. We have two-thirds of a marine division in camp there; a Nike battalion; and on Taiwan, we put a Nike battalion in last fall; we have the 7th Fleet in support, and certain jets in Okinawa and back in Guam.

We have a Matador squadron in Taiwan. Numberswise, again we are very much inferior to the Chinese Communists, but in strength sufficient to deter them from kicking off a king-sized war.

Senator **Lausche**. Mr. Chairman.

The **Chairman**. Yes.

SOUTH KOREAN AND NATIONALIST CHINESE ARMED STRENGTH

Senator **Lausche**. First, with regard to Korea, what is the aggregate number of armed forces in the different branches that South Korea has?

Our chart shows divisions.

Admiral **Felt**. Yes.

Senator **Lausche**. But what is the number of South Korean armed forces?

Admiral **Felt**. I think I have that here in numbers, sir. Do you have it there, Colonel Whitney?

Colonel WHITNEY. These are authorized strengths: the Army, 567,000; the Navy 16,600; the Marine Corps, 24,000; and the Air Force, 22,440.

The total authorized ceiling for the ROK forces is 630,000.

Actual strengths right now——

Captain HOWE. About 609,000.

Senator LAUSCHE. Now, the same question with regard to Taiwan.

Admiral FELT. I can give you the figures, sir:

Army, 478,000; Navy, 30,000; Marines, 27,000; Air Force, 92,600; for a total, put in round figures, of 627,000.

Senator LAUSCHE. Good enough.

Admiral FELT. All right, sir.

May I go on to the next chart?

The CHAIRMAN. Yes.

SOUTHEAST ASIAN PENINSULA

Admiral FELT. The Southeast Asian Peninsula.

Before I talk about the figures involved here, I think it is interesting to take a look at the geography again and notice the position of Laos. This is the one labeled South Vietnam-Laos-Thailand.

Notice the position of Laos, outflanked with the Viet Minh threat on the east, northeast, and the Chinese Communist threat on the west, northwest: The Viet Minh, an army of 15 divisions, about 270,000 men; a small coastal navy, 2,000 people and no combat aircraft.

This is significant.

Senator MANSFIELD. That 2,000 number referring to people means personnel, does it not?

Admiral FELT. Yes, sir, personnel.

Senator MANSFIELD. And craft?

Admiral FELT. Yes, sir; a hodge-podge of craft, a very small navy.

The significant thing here is that there is a very strong Viet Minh Army facing the South Vietnamese. And again here is a divided country, suspended war, facing each other across a demilitarized line.

Also, they are in positions to infiltrate almost at will into Laos toward the west; and then over on the other side, on the Thailand border, the Chinese Communist forces, 350,000 people, with a strong jet air force.

What can we muster in these little countries down here that are determined to stay free?

In Vietnam, we have a good army. This army has been created since the Indochina war, 10 divisions, and our chief MAAG down there is now reorganizing them for the particular purpose of fighting war in that kind of area. In other words, we are reorganizing them so they are not built in the image of U.S. divisions, but are being built to do a job in their own country, and will probably wind up as seven divisions.

There is a very small coastal type of navy and an air force that is quite small.

In Laos, 25,000 people, and we will put in a division; Navy, none; and an insignificant air force.

Thailand, three and one-third divisions. In these countries they have a lot of battalions, so we go into those, and say that a battalion is equivalent to three and a third divisions. And there is a little coastal navy and again, a small air force.

They have a jet fighter squadron now.

MOBILE U.S. FORCES IN WESTERN PACIFIC

In support, again the 7th Fleet, and gentlemen, the U.S. Air Forces, which are deployed throughout the Western Pacific on this island chain and have developed quite a bit of mobility. We tested this out in Taiwan last fall, and from the U.S. Air Forces on this island chain, I can pick up a little force that can be put into Southeast Asia, provided there are facilities available for them to operate from.

This was one of the beauties of the experience last fall where I picked up the Marines and some of the Air Force and put them into Taiwan. There were ready-built facilities available for them, austere, yes—tents and huts and things like that—but airstrips that were adequate for jets.

Senator SPARKMAN. Do we have any facilities in that area?

Admiral FELT. Only two fields now, sir, that are adequate for jet aircraft. Those are what you might call municipal; it is a joint responsibility of things at Bangkok, and the other one at Saigon.

We have under construction three fields that will be marginal in Thailand, and I have some plans to do something in South Viet Nam for the coming commercial jet age that can, of course, be used by military if we have to.

In summary—and I do not believe I have a summary there in your handout—just let me go over this rapidly.

ARMED STRENGTH OF UNITED STATES AND ALLIES

In terms of personnel, under my operational command are 400,000 people in military uniform; our allies, 1.8 million, in contrast to the Communist 4.2 million—as against 1.8, plus 400,000.

In terms of divisions the United States has 5 and our allies have 65 for a total of 70, as against 234 divisions.

In combatant ships, the United States has 162 and our allies have 13. The Communists have 169.

It would appear that that is pretty even in terms of numbers of combatant ships, but it is not. In our 7th Fleet we have power that these fellows cannot dream of using in the form of carriers and task forces, which they do not have.

I have some figures here on the minor types of ships. However, tactical aircraft, the United States, rounding it off to 2,600, and our allies, 644, so you will get out of that 32 or 3,300, in contrast to 6,000.

Senator SPARKMAN. Are their 6,000 aircraft comparable to ours, so far as effectiveness is concerned?

Admiral FELT. That 6,000 is jet aircraft.

Of course, the MIG's are fighters and bombers. It is significant that there are more fighters than bombers.

Senator LAUSCHE. Is it fair to assume that the disproportion in strength is equivalent to 3,300 to 6,000?

Admiral FELT. No, sir; just the numbers, but there are other important factors involved: training, for instance.

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COMMUNIST PROBES [P. 12]

Senator AIKEN. What about the threat to Laos or Viet Nam?

Admiral FELT. Of course I have to think about what possibly might happen this spring or summer if the Soviet bloc decide to probe again out in my area.

They probed in Taiwan because possibly they thought we were weak there and had mustered all our forces in Lebanon. And as I look at the situation I think it is possible that a similar diversionary effort might be attempted in connection with the Berlin situation. The most likely place for them to probe would be in Laos—little infiltrations, sticking small needles into us just to see what might happen.

Senator AIKEN. When the Prime Minister of Vietnam [1] was here last summer, he indicated that the Communists were maintaining such a large army, around 350,000 in North Vietnam, that in all probability they would either have to attack or draw in their horns somewhat within 3 years' time, because they could not stand the pressure on their economy.

Do you have anything on that?

Admiral FELT. The tune changes. When these fellows talk to us they want us to believe that the threat is just——

Senator AIKEN. Just around the corner?

Admiral FELT. Around the corner.

President Diem now has a different tune. He doesn't talk about the threat of armed, overt aggression across the 17th parallel, but about infiltration down along the western border into Cambodia and thence into their country. And he shows you how he has built little fortresses all along the border to control the trails through the jungles to stop this.

And then, of course, he says, "Now, if that fellow over in Cambodia would do the same thing, we could control this." [Deleted.]

There is such deep animosity between Vietnam and Cambodia. The animosities go back centuries between Cambodia and Vietnam.

Senator AIKEN. Wasn't an agreement reached with the Republic of Korea last November to reduce their army by about 90,000 and bring it down to 630,000?

Admiral FELT. Yes, sir.

Senator AIKEN. What do you think is the logical size of the force that the South Koreans should maintain, or that we should help maintain there?

Admiral FELT. In this situation we have taken a calculated risk. General Decker, who is responsible for the defense of South Korea, estimates, I believe, 29 divisions.

Despite that, we negotiated with President Rhee [2] and we reduced his forces by two divisions, the lever of course being that the United States would bring in this missile command with atomic delivery capability.

The Draper Committee [3] has suggested that General Decker restudy the problem with the thought of thinning out the front line, reducing the number of divisions, creating reserve divisions and having a mobile reserve behind the thin line.

This is something General Decker is studying now, and I do not wish to express an opinion on it, because I think the man on the spot, who has the responsibility for defense, is the one who should give us his advice on the point.

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[1] Ngo Dinh Diem.

[2] Korean President Syngman Rhee.

[3] The President's Committee to Study the U.S. Military Assistance Program, chaired by William H. Draper, Jr.

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UNITED STATES-OKINAWA RELATIONS [P. 14]

Okinawa is essential to our defense in the Western Pacific. This is the only piece of real estate which is administered by the United States; it is a military base. Okinawa, the whole island, is a military base.

I believe that the current system of administration should be maintained. I suspect that this is part of the campaign which has been conducted for a long time to permit the Japanese more rights of entry, and it is part of that cry that Mr. Kishi has to contend with all the time, that Okinawa should be returned to Japan.

DEFENSE OF OFFSHORE ISLANDS

The CHAIRMAN. Admiral, there are one or two other questions, and time is getting short. I don't wish to belabor this, but just for the record I want to ask: From the military point of view, is it wise to try to defend the offshore islands?

Admiral FELT. From a purely military point of view, it is not essential.

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U.S. RESPONSE TO ATTACK ON OFFSHORE ISLANDS [P. 15]

The CHAIRMAN. I did not complete my question about defense of the offshore islands. I should have.

You said no, that from a purely military point of view it isn't wise to defend offshore islands. From what point of view is it wise?

Admiral FELT. From the point of view, sir, that we are committed to an ally whose territory is being attacked.

The offshore islands are Chinese Nationalist territory. When an ally comes to us and says, "Will you come to my assistance" there is a great principle involved, and I was pleased to see support from the highest levels in Washington for that principle last fall.

COST OF QUEMOY CRISIS

The CHAIRMAN. Admiral, do you know whether calculations have been made as to the total cost of the Quemoy crisis?

Admiral FELT. Yes, sir. On the order of about $185 million.

The CHAIRMAN. Is that exclusive of the mutual security funds? For example, I notice that last year, on page 440 of the presentation book, it says that the military aid furnished to Taiwan during fiscal year 1959 was about $265 million, more than three times the amount originally programed, which was $82.7 million.

Does this $265 million include this, what did you say, $185 million?

Admiral FELT. $185 million.

The CHAIRMAN. Is that included in the $265 million?

Admiral FELT. That includes the acceleration of the provision of material under the military assistance program, and also includes the additional operational and maintenance costs over and above those that would normally be anticipated?

The CHAIRMAN. I may not have followed you correctly, but is it fair to say that the $265 million which we have in the book includes the $185 million that you mentioned, or is the $185 million in addition to the $265 million?

Admiral FELT. The $265 million, I would think, would include part of the $185 million.

The CHAIRMAN. Would you estimate what part, how much in addition to $265 million?

Admiral FELT. I am sorry, sir; I can't estimate it.

The CHAIRMAN. Are any of your staff able to make such an estimate?

Admiral FELT. That $185 million includes provision of equipment and also the operation and maintenance costs of our own forces.

The CHAIRMAN. As I understand it, your estimate includes additional cost of forces in contrast to what the cost would have been in a situation which would have existed without any attack. So it would perhaps be difficult to bring your estimate down the way I have asked you to.

Admiral FELT. I don't have a breakdown, sir.

The CHAIRMAN. Is there dissatisfaction among Korean Armed Forces with the attempt of the government to prohibit Rhee opposition? What is the chance that some of these ROK forces would participate in a coup against the Rhee government? That is what I really have in mind.

Admiral FELT. The ROK Army is completely loyal, sir.

The CHAIRMAN. To Rhee?

Admiral FELT. Yes, sir.

The CHAIRMAN. They would not be interested in a——

Admiral FELT. I don't think they would be interested in a coup.

The CHAIRMAN. Then the answer is no, there is no dissatisfaction, is that correct?

Admiral FELT. Yes, sir.

Senator SPARKMAN. May I ask a question in connection with this?

The CHAIRMAN. Certainly.

Senator SPARKMAN. Suppose something should happen to Rhee. Would your answer be that they would be completely loyal to South Korea and to the Western Powers? In other words, what I am trying to get at is, is it personal loyalty or loyalty to the cause in which we are all interested?

Admiral FELT. I think it is a loyalty to the cause in which we are all interested.

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MILITARY ASSISTANCE AND DEFENSE SUPPORT TO KOREA [P. 16]

Senator AIKEN. I notice the request for military assistance for the Republic of Korea is $202 million, up about $28 million from last year. I was wondering what the additional $28 million would be used for.

Admiral FELT. Is this Korea you are speaking of, sir?

Senator SPARKMAN. The Republic of Korea, $202 million for military assistance, and $215 million for defense support.

The defense support has stayed about the same year after year, and they are asking the same this year.

What I am wondering is what the $28 million is to be used for, and if you anticipate the defense support costs are likely to remain the same annually and for some years to come.

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Admiral Felt. Now in the case of Korea, you will remember the chart showed the status of Korea's air defense. We visualize in this next year's program equipping them with another jet squadron—as a matter of fact, an all-weather squadron.

That probably accounts for the increase in money that you were speaking about.

If we cannot improve the forces by giving them not advanced nuclear weapons but new equipment, then I haven't got a chance of convincing someone that they should reduce the size of their forces. This is the lever that must be used to get Rhee and Chiang and others to agree to reduction in the size of their forces. We must give them better equipment.

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MOVING FORWARD IN MILITARY PREPAREDNESS [P. 16]

The Chairman. You didn't mean "move forward" for war in a physical geographic sense?

Admiral Felt. Oh, no, I meant in our thinking and in the implementation of our thinking in supporting this military assistance program, in being convinced that these people will never make any progress unless their security can be assured.

I am thinking of a program that I now have for Laos which I think will work and which has good chances of saving Laos. This is a critical year there. If we don't save Laos this year, she may be gone forever behind the Bamboo Curtain.

The Chairman. That is all.

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IMPORTANCE OF PROTECTING OFFSHORE ISLANDS AND REST OF FREE ASIA [P. 19]

Senator Lausche. There has been some talk to the effect that we ought to discontinue our military relationships with some of these nations that seem to have inconsequential power and are now patently weak from a military standpoint. I think that Thailand and Laos have been suggested, and maybe some others.

What is your opinion about that suggestion?

Admiral Felt. I don't think that we should limit the society of our friendship to people who are militarily strong. I think it is essential in the foreign policy of the United States to do everything we can to keep those peoples free who want to be free.

As I said, there are over 300 million of these people, and if they and their resources go to the Communist side, it would be disastrous to our side.

Senator Lausche. What would happen to Laos and Thailand in the event, let's say, we separated ourselves from them entirely? Is it likely that they would be put under the gun of the Soviet Union?

Admiral **Felt**. If we withdrew our support of Laos, they would be lost in a very short time.

Senator **Lausche**. What is the situation in Thailand?

Admiral **Felt**. Thailand may be a little different. I don't know whether or not Thailand could survive in this modern dog-eat-dog atmosphere we have today. Thailand has never been conquered, but there are subversive elements at work in Thailand now.

I will go out on the end of the limb and say if we withdrew our support, Thailand would have to make some sort of accommodation also.

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MUTUAL SECURITY PROGRAM IN WESTERN PACIFIC [P. 20]

Senator **Lausche**. This general question:

With respect to our present program of mutual aid in the area which is under command, what changes, if any, do you recommend that we make in it?

Admiral **Felt**. I am recommending that we have a better understanding of our objectives. Starting last fall I embarked on a program of writing down our ideas on the mission expected of the armed forces in these countries and the functions of the military assistance program in helping them attain that mission.

This is almost completed, and I am submitting my recommendations to the Joint Chiefs of Staff.

When this is approved, our military advisory groups in these countries will have a better understanding of what they are expected to do.

Charges are made sometimes that we go into these countries and try to create forces in our own image. This is not correct. I mean, this should not be done. We should create forces in these countries to meet their own defense requirements.

For example, in the Philippines I found the Filipinos thinking in terms of World War II, trying to create a large army, and having no appreciation of the fact that if they are attacked it would probably be by air. They had no appreciation of the importance of building up their air defense. I have changed all that.

These are the important things we are trying to do now.

Senator **Lausche**. That is all, Mr. Chairman.

The **Chairman**. Any further questions?

If not, Admiral, we are very grateful to you for having come and given your time to the committee. I know that your testimony has been of great interest to those of us who are here, and that it will also be of interest when it is incorporated into the record of this year's hearings on the mutual security program.

Thank you very much.

Admiral **Felt**. Thank you very much, sir. Once again, I thank you for letting me appear before you while I was in Washington this time.

The **Chairman**. I am very glad you could be here today. If we had had earlier notice we would have had an even better attendance.

Thank you very much.

The committee will now go into executive session.

[Whereupon, at 12:40 a.m., the committee proceeded to the consideration of other matters.]

THE NOMINATION OF CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

THURSDAY, APRIL 23, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, in the Foreign Relations Committee room, United States Capitol Building, at 12:15 p.m., Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Morse, Long, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, and Carlson.

Messrs. Marcy, Holt, Denney, and Henderson of the committee staff.

The Chairman. We will continue in executive session to hear the nomination of the ambassador designate for Brazil, Mrs. Clare Booth Luce.

Is there any discussion?

A GREAT MISTAKE

Senator Morse. Mr. Chairman, I want to chat a minute with the committee about the procedure in this matter.

I think you gentlemen know that I never have the desire to put myself in a position subject to a misunderstanding or misinterpretation as to my purposes of discussion. I am not ever intentionally an obstructionist, and maybe we can work out an understanding here so that I can shorten this discussion.

I want to tell you what my problem is. I feel that this appointment is a great mistake, and I venture the prophecy this morning that after she is sent to Brazil, in due course of time, it will be to our embarrassment.

I have only one vote. I do not want to get into a position, however, of having anyone say on the floor of the Senate in the debate that will take place over this nomination, "Well, did you make those points to the committee? Did you discuss this with the committee?"

I am going to look silly by the statement being made: "No, he did not." or my saying that I did not.

If I present my analysis of my views on the Luce nomination, Mr. Chairman, I think it will take me 30 minutes. I can give you an outline of the points of my objections in much less time.

You are all intelligent people, and if you have any questions to ask me about the points of my outline when I get through, you can do that. I shall discuss this matter at some length on the floor and I am ready and willing to discuss it at some length here in committee, but

I have no desire to offend anyone on the committee or impose upon your time.

Whatever you gentlemen would like to have me do, I shall do.

THE TIME ELEMENT

The CHAIRMAN. Speaking for myself—I do not know about the rest of the committee—I would be interested in hearing the Senator's discussion. The time element is the only thing. Having the admiral here was rather unexpected as you know. We had to accommodate our hearing him because he came a long way to testify and I regret it. I personally can sit here for the next 30 minutes although I have two luncheon engagements at 12:30. I shall be late for them. Whatever the committee wishes, I will do.

I agree, so far as I can control the matter, to have a vote today if the committee wishes. I am ready to vote, but at the same time, I do not want to put off the Senator from Oregon. I am willing to sit here if the rest of them are.

Senator MANSFIELD. Mr. Chairman, I suggest that the Senator from Oregon use his own discretion.

Senator HICKENLOOPER. Mr. Chairman, I suggest that the way he proceeds ought to be within his own discretion. I have to be gone at 12:45, but if he wants to present the whole thing, I will listen. If he wants to summarize that is all right, but I think it ought to be in his discretion.

[Off the record.]

The CHAIRMAN. The Senator asks unanimous consent that he proceed to make the report and we stay as long as we can, but we return to vote on the nomination, up or down, at 2 o'clock. Is there any objection?

Without objection, so agreed.

That is the only way I know of disposing of it.

Now he can make the record.

Senator WILEY. I came down to vote. I have something else to do. I would like to have my vote recorded that I am in favor of Luce.

The CHAIRMAN. May I include in that unanimous consent, that these proxies that are included will be voted.

Senator MORSE. I think that is highly to be desired.

The CHAIRMAN. Is that agreed to?

Senator AIKEN. That includes Senator Capehart.

Senator MORSE. It includes everybody.

The CHAIRMAN. We have a very bad day today.

[Off the record.]

The CHAIRMAN. With that understanding, it is agreed we will proceed.

HISTORICAL PRECEDENTS

Senator MORSE. Mr. Chairman, the first thing I want to discuss is a memorandum that was prepared at your request or for you by the committee staff in regard to some historical facts about Senate action on nominations to posts.

The CHAIRMAN. Yes.

Senator MORSE. I am going to ask to have the memorandum put in the record, and I will summarize it.

The **Chairman**. Without objection, it is put in the record. It is public; I mean there is nothing secret about it.

Senator **Morse**. In part, the memorandum says,

> At the beginning of operation under the Constitution diplomatic and consular nominations were rejected by the Senate directly. In the early years the Senate used its power to pass upon the qualifications of Presidential nominees for foreign posts in order to review the need for the missions themselves.

Then the memorandum goes on to speak for itself and it points out that in later years the Senate has not been rejecting these nominations. The policy has been, when there have been objections in Congress, for the committee just to delay ever taking action and not to take action at all. Or, in the face of opposition, the Executive has withdrawn the nominations, and you will find there a table showing that course of action, such as January 12, 1943, when Flynn, appointed to Australia, was finally withdrawn.

January 29, 1947, Francis Biddle, Delegate to the United Nations Economic and Social Council: His nomination was withdrawn July 12, 1947.

June 1948, John J. MacDonald, Truce Committee for Palestine: This was a recess appointment, but it was subsequently withdrawn on February 10, 1949.

Irving Florman, February 7, 1949, Bolivia, recess appointment: January 5 it fell because of no action on the part of the committee.

Philip Jessup was another case of no action.

Julius Holmes was another case in which the nomination was withdrawn.[1]

A CONSTITUTIONAL DUTY

And I thought that for the information of the committee, as long as this memorandum has been prepared, they ought to know that this has been the policy. But of course never has this committee of the Senate given up its prerogative in case a nomination is not withdrawn that they may actually refuse to confirm it.

In my judgment it happens to be a constitutional duty of the Senate so I will not accept the point of view expressed by my colleague in the Senate yesterday that the Ambassadors are the representatives of the President, and apparently he is entitled to appoint whoever he wants under any and all circumstances. It just does not conform either to constitutional history or to practice.

As the members of the committee know, in 1945 I prepared for the Senate a study—in fact it was my first discussion at any length after I had been elected to the Senate—of all the confirmation controversies in the history of our country of which we had any written record, and I did so because the issue before the Senate was Henry Wallace's nomination as Secretary of Commerce. I gave the finding of that research study on which I worked long and hard, which I understand has been cited in many writings since on Executive powers, and brought out that there are four historic criteria that the records show generally have been followed under the advice and consent clause, bearing upon the question: What does the advice and consent clause mean? It does not mean that we are to be the appointing authority. If the framers of the Constitution wanted the Congress to have co-equal power with the Executive in making appointments, they would have said so.

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[1] See chart on page 478 of Volume IX (1957) of the "Historical Series."

The language is that the appointment is by the President, with the advice and consent of the Senate, which means that it is language of limitation, as we lawyers say, as I pointed out in 1945.

The controlling language is the appointing language given to the President.

FOUR HISTORIC CRITERIA

But we give our advice and consent unless the nominee fails to conform to these four historic drives: One, loyalty to our form of Government, belief in our Constitutional system; two, does the nominee have any conflict of interest that would disqualify him to perform the duties of this post; three, does the nominee have character qualifications that would make him unfit to represent our Government or to serve in the post for which he is nominated and which requires confirmation.

As you will see in my analysis in 1945, which was in the record, that does not mean that we do not give our advice and consent if somebody being nominated has a little different notion as to personal morals from what we have; but does the person have those qualities of character so that you and I, as reasonable men, can say: "This is a fit person to represent our Government"?

I said in 1945 that of course it bears upon a criminal record as one extreme example. It would be pretty difficult to get a felon or a person who is notorious as a libertine confirmed. They would not meet this broad character qualification. And the fourth historic criteria which seems to run through the cases is competency to perform the duties of the job.

It does not mean that it is the best person—it is the person we would select, if we were appointing, as the most qualified person. It does not mean that by training and experience he has been an expert in the field or the job for which he has been appointed. Such requirement is on the President. Does he have the competency for the job?

You will remember 2 or 3 years ago when Harry Byrd and I were the only Democrats voting on that occasion for a confirmation for a man to be Inspector of the Bureau of Engine Inspection. I discussed these criteria, and one of the objectives raised was that he was not taken from the career service. There was nothing in the law that said the President had to appoint somebody from the career service in order to be head of the Bureau of Engine Inspection, and the letters on file with the Senate from every member of the Interstate Commerce Commission were to the effect that during the interim, the appointee had been doing a good job. He had the competency and therefore the only possible objection that anybody could present in that debate was on this basis of competency, and in my judgment, they failed to establish it.

So Senator Byrd and I voted for his confirmation and he was confirmed, as you will recall, by a vote of 43 to 41. I had a lot of fun about it. We had a pretty good idea of the reasons for the rejection, but the real reasons, as I said, had nothing to do with these four historic criteria.

I mention this by way of preliminary remark, because you have a right to say to me, Senator, "Which one or ones of the four do you object to Mrs. Luce on?

DIPLOMATIC COMPETENCY

Well, I shall pick one and rest my case on it without going into any others, and that is competency. I do not think she has those qualifications of competency to perform this particular task in Brazil because I do not think that she has demonstrated that diplomatic ability that the post calls for. I have expressed those views in the hearing, as you know, in my examination of her and I will not repeat them because the record of the hearings which are available to each one of you speak for themselves. I will refer to matters which have arisen subsequent to the hearing.

Over the weekend, there was filed with the Senate Foreign Relations Committee by Mrs. Clare Boothe Luce a supplementary statement concerning her nomination to be Ambassador to Brazil.

It purports to be a response to me, and a documentation of a 1944 campaign statement Mrs. Luce made that, and I quote her, President Roosevelt was "the only American President who ever lied us into a war because he did not have the political courage to lead us into it."

Mrs. Luce's supplementary statement is neither a documentation of that 1944 statement of hers nor a remotely accurate statement of the reason why I pursued the line of questioning I did at the hearing.

First, Mrs. Luce is completely wrong when she states that the senior Senator from Oregon applied what she calls a "principle of political conformity" in raising objections to her nomination. "Strict conformity," says Mrs. Luce, "to the political tenets of the majority party is hardly a sound basis on which to judge the qualifications of any person for a diplomatic position. Once admit the validity of this principle in practice and the national interest of the United States would be severely imperiled. Once concede that political vengeance is a worthy motive to formulate questions, and we will be that much closer to the Orwellian state."

Well, so says Mrs. Luce. I can only say of her statement that if she thinks that was the reason for my questions, she is even less perceptive and less qualified for the job than I thought.

There is nothing in her record to indicate to me that Mrs. Luce is qualified to be a diplomat. That was and is the entire objection I have to her being appointed to be Ambassador to Brazil. I do not think she has the diplomatic competency. The only role for which I believe she is well qualified is that of political hatchetman. She does very well at making inflammatory and demagogic political speeches.

A CAPACITY FOR SELF-RESTRAINT

The senior Senator from Oregon is the last member of this body who would ask or demand political conformity from anyone in public life. But I do believe that a person seeking a diplomatic post should have some talent for diplomacy. That person should demonstrate sound judgment and a capacity for self-restraint. Mrs. Luce's record throughout her public life shows little evidence of these qualifications.

When she was before the committee in 1953, I was not a member of the Foreign Relations Committee of the Senate, although she was laboring under the false impression the other day that I was. She even thought I was at the executive hearing.

At that time, with the Republicans in control of the Congress, there was no public hearing at all for most of these appointments. There was no public hearing on Mrs. Luce's nomination for the Italian post. Nor was there any roll call on it in the Senate.

A few days ago, Mrs. Luce made the point that none of the questions being asked her this time were asked her in 1953, and I replied that I was not on the committee before. And of course I consider it quite irrelevant to her examination in 1959 that certain questions were not asked her in 1953.

Since 1953, a motion I made 2 years ago has been adopted as the general practice of the Foreign Relations Committee. It is that there shall be a public hearing on the appointments which come before us to confirm when requested.

SHE HAS NOT MADE A GOOD RECORD

In examining Mrs. Luce's record as Ambassador to Italy, I do not feel she has made a good record. In fact, my good friend from Montana, Mr. Mansfield, has been one on this committee who has raised on various occasions this whole problem of career service political appointments to diplomatic posts, foreign service posts; and in Volume 103, Part 12, pages 15882–3 of the Congressional Record, Senator Mansfield, I think, performed a great service for the committee and the Congress by inserting a record showing the record of foreign diplomats in the matter of absenteeism. And out of that record Senator Mansfield inserted in the Congressional Record, I reached the conclusion that she was a notorious absentee, even allowing for her long illness just before she resigned.

In 1955 she was absent from her job 87 days, and was on vacation for another 69 days.

None of that was for sick leave or due to illness. In 1956 she was absent from her job 84 days, plus she took 23 days of vacation and 95 days of sick leave.

I do not know very many Government jobs where the individual can work at such a casual pace and stay in that job very long, and that includes being a Member of Congress.

Her total record for those 2 years showed her absent on 171 days of duty, 187 days of non-duty. That is vacation and sick leave. These figures were inserted in the record by Senator Mansfield and appear in the Record for August 26, 1957.

In addition, I believe that her activities as Ambassador went beyond the proper official duties of an Ambassador.

CITATION TO CHARLES BEARD

First, let us look at the alleged documentation of her 1944 campaign statement which she submitted to the Foreign Relations Committee.

Mrs. Luce's first citation is of the American historian Charles A. Beard. Of him she says: "Since yesterday I have found my thesis adumbrated in great detail in a volume entitled, 'President Roosevelt and the Coming of World War II,' by one of the foremost American historians, Charles A. Beard."

Apparently, committee and Senate members are expected to read this entire volume to get out of it what Mrs. Luce wants us to get, namely, that Roosevelt lied us into World War II.

I doubt that any member of this body will do that. It so happens that I have read the Beard book. I am satisfied, as the professor of history who wrote a letter in this morning's Washington Post states, that there is no basis for her conclusion; but you will note what he has to say about the attitude of Professor Beard in the closing days of his life, and the effect of that upon his writings.

What I want to say is that in any event, there is no indication of what Beard said nor of any specific case of falsification that can be found in his book to substantiate Mrs. Luce's charge. I have been able to find none, and I am satisfied that she cites a mistaken authority in general without substantiating it by specific reference to the authority in support of what I consider to be her subversive statement when she charged that Franklin Roosevelt lied this country into war.

CITATION TO ROBERT SHERWOOD

Second, Mrs. Luce cites Robert Sherwood's "Roosevelt and Hopkins," and refers the committee to Chapter 8, dealing with the third-term campaign.

I do have the Sherwood book, and I have read Chapter 8, as Mrs. Luce directed. I will not do it here, but I will just cite the reference.

I do want to say that Chapter 8 deals with Roosevelt's use of the phrase that American boys would never be sent into a foreign war. But there is nothing in the chapter that justifies her conclusion that he lied us into the war, and I think when I get to the discussion of the speech, we will see that this was a notorious and inexcusable example of taking out of context one sentence and giving to the American people an entirely false impression of the very tenor of the speech.

Sherwood presents an unvarnished account of the episode, but it can in no reasonable way be interpreted to read that President Roosevelt lied us into a war.

Does Mrs. Luce believe that what happened at Pearl Harbor was a foreign war, one that we should have ignored? Does she think that the bombs which rained down upon American ships in a peaceful harbor and upon the men, women and children in American territory were a foreign involvement that we should have closed our eyes to? That is the only interpretation I can put upon Mrs. Luce's words that Roosevelt "lied us into a war." There simply is no evidence that Roosevelt lied to anyone or that the attack on Pearl Harbor was part of a foreign war that the United States should have ignored.

CITATION TO BASIL RAUCH

The same goes for Mrs. Luce's other references, Basil Rauch's "Roosevelt: From Munich to Pearl Harbor," and "The Roosevelt Leadership, 1933–45" by Edgar Robinson.

Unsolicited, completely out of the blue this morning came the following wire from Professor Rauch, professor of history, Barnard College, Columbia University, addressed to me.

He states in the wire: "The statement by Mrs. Luce misrepresented my book 'Roosevelt: From Munich to Pearl Harbor.' My book proves on the basis of the documents that those who make charges against President Roosevelt, such as those by Mrs. Luce, have abused the facts of history."

I consider my job in the Senate to be also the job of a student of Government, and I cannot perform that function and be a nonreader. I simply want to say that she cannot find a word in this book of this great Columbia historian that supports her charge that Roosevelt lied us into a war, and of course the sad thing about it is she does not retract the charge. She says only that her language was intemperate, but as indicated by some wires received in my office and from the professor of the University of California at Los Angeles, who called me yesterday long distance, she has made it worse because all she says now is, "I am not going to use such intemperate language, but I continue to say that Roosevelt did just that."

CITATION TO CORDELL HULL

Mrs. Luce cites nothing in these volumes, nor in the two volumes of Cordell Hull's memoirs to support her case. She says: "Further evidence to support the core of my statement" can be found in them. Since there is no way of knowing on what pages or in what documents one may find supporting evidence in them, I do not consider them supporting references at all. Certainly there is nothing about any Roosevelt "lies."

Cordell Hull's two volumes of memoirs run to 1,700 pages. Mrs. Luce should know better than to pretend that a reference to 1,700 pages of reading matter constitutes evidence to document her charge that Roosevelt lied.

On the contrary, the history of the late 1930's and 1940–41 shows very clearly that President Roosevelt was hopeful and indeed anxious that the aggressive dictators could be contained without war, and particularly without war involving the United States.

FDR'S "QUARANTINE" SPEECH

I cite some of the remarks he made in the famous "quarantine" speech given in Chicago in 1937, because I want to say to the members of the committee that when you are dealing with such a slanderous statement as Mrs. Luce is guilty of, the American people are entitled—and that is why I am making these statements for the record this morning—to trace the history of Roosevelt's position up to the time this country was attacked at Pearl Harbor. No Chief Executive could have failed to follow the course of action that he followed, of leading us into war after war had been made upon us.

So in this 1937 "quarantine" speech, Roosevelt warned of the danger to the entire world from hostile fascism. He said:

> The political situation in the world, which of late has been growing progressively worse, is such as to cause grave concern and anxiety to all the peoples and nations who wish to live in peace and amity with their neighbors.
>
> Some fifteen years ago the hopes of mankind for a continuing era of international peace were raised to great heights when more than sixty nations solemnly pledged themselves not to resort to arms in furtherance of their national aims and policies. The high aspirations expressed in the Briand-Kellogg Peace Pact and the hopes for peace thus raised have of large given way to haunting

> fear of calamity. The present reign of terror and international lawlessness began a few years ago.
>
> It began through unjustified interference in the international affairs of other nations or the invasion of alien territory in violation of treaties; and has now reached a state where the very foundations of civilizations are seriously threatened . . .
>
> It is, therefore, a matter of vital interest and concern to the people of the United States that the sanctity of international treaties and the maintenance of international morality be restored.
>
> The overwhelming majority of the peoples and nations of the world today want to live in peace. They seek the removal of barriers against trade. They want to exert themselves in industry, in agriculture and in business, that they may increase their wealth through the production of wealth-producing goods rather than striving to produce military planes and bombs and machine guns and cannons for the destruction of human lives and useful property.
>
> I am compelled and you are compelled, nevertheless, to look ahead. The peace, the freedom and the security of ninety percent of the population of the world is being jeopardized by the remaining ten percent who are threatening a breakdown of all international order and law. Surely the 90 percent who want to live in peace under law and in accordance with moral standards that have received almost universal acceptance through the centuries, can and must find some way to make their will prevail. . . .

May I digress to say that you will find that thesis running through public statement after public statement of Roosevelt from 1937 right up to Pearl Harbor.

He was constantly pleading that we find some way, as he said in the "quarantine" speech, to make their will prevail.

He was seeking a peaceful solution to the threat of war.

Going on with this speech:

> It seems to be unfortunately true that the epidemic of world lawlessness is spreading. When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease.
>
> It is my determination to pursue a policy of peace. It is my determination to adopt every practicable measure to avoid involvement in war.

He never said in the famous speech that I shall quote later, on which she seeks to rest her slanderous charge, that under no circumstances would we go to war.

Going back to his "quarantine" speech:

> It ought to be inconceivable that in this modern era, and in the face of experience, any nation could be so foolish and ruthless as to run the risk of plunging the whole world into war by invading and violating, in contravention of solemn treaties, the territory of other nations that have done them no real harm and are too weak to protect themselves adequately . . .
>
> We are determined to keep out of war, yet we cannot insure ourselves against the disastrous effects of war and the dangers of involvement.

In 1937.

> We are adopting such measures as will minimize our risk of involvement, but we cannot have complete protection in a world of disorder in which confidence and security have broken down . . .
>
> America hates war. America hopes for peace. Therefore, America actively engages in the search for peace.

TAKEN OUT OF CONTEXT

I have quoted this for the record and for the consideration of the members of this committee because it is the beginning of my major premise that at no time did President Roosevelt take the position that we were not going to get into a war or make any pledge that under no circumstances would American boys be involved in war.

On the contrary, if you take the full context of his speeches from the "quarantine" speech in 1937 right up to that great speech he made before the Joint Session of Congress on that sad day for America when Pearl Harbor had been bombed and he went before the Nation and announced in effect that we were at war, there is nothing, taking the full context of his public statements, to justify the slanderous statement that Mrs. Luce made.

LACKING IN DIPLOMATIC JUDGMENT

As you will see before I get through with my argument, I am not going to vote to send to Brazil, which is a country involved with us and did a great job in World War II with us, a person so lacking in diplomatic judgment that she would make the statement in the first place, and then at her very confirmation hearing go only so far as to say that her language was intemperate but she still stands by her meaning.

I think it is an affront to Brazil, and to the Brazilian boys who died in World War II as well as to our own.

Thus, I say to the committee that these are excerpts from that great "quarantine" speech in which Roosevelt so clearly pointed out that no nation, however peaceful, could continue if it blinded itself to aggressions that were swallowing up other peaceful nations.

As we know, Roosevelt's "quarantine" speech was largely ignored. The nations of the world showed little interest in keeping the peace through concerted efforts to contain Nazi Germany, Italy and Japan.

Roosevelt's policy continued to be one of trying to maintain peace, as brought out by his messages to Adolf Hitler on April 14, 1939, and to the Italian Government on August 24, 1939. In the first, Roosevelt called for mutual assurances that the territory and possessions of independent nations would not be attacked, and suggested an international conference at which the problems of disarmament and international trade should be discussed.

The appeal was renewed in the August message to the King of Italy.

FDR'S SPEECH ON HEMISPHERIC DEFENSE

In October 1940, during the election campaign, Roosevelt gave a Columbus Day address at Dayton, Ohio, and I shall quote a few excerpts from that speech, too. This was 18 days before the Boston speech Robert Sherwood referred to.

Roosevelt said of hemispheric defense at Dayton:

> We of the Americas still consider that this defense of these oceans of the Western Hemisphere against acts of aggression is the first factor in the defense and protection of our own territorial integrity. We reaffirm that policy, lest there be any doubt of our intention to maintain it.
>
> There are some in every single one of the 21 American Republics who suggest that the course the Americas are following is slowly drawing one or all of us into war with some nation, or nations, beyond the seas.
>
> The clear facts have been stated over and over again. This country wants no war with any nation. This hemisphere wants no war with any nation. The American Republics are determined to work in unity for peace just as we work in unity to defend ourselves from attack.
>
> For many long years every ounce of energy I have had has been devoted to keeping this nation and the other Repubics at peace with the rest of the world. That is what continues uppermost in my mind today—the objective for which I hope and work and pray.
>
> We arm to defend ourselves. The strongest reason for that is that it is the strongest guarantee for peace.

The United States of America is mustering its men and resources, arming not only to defend itself, but, in cooperation with the other American Republics, to help defend the whole hemisphere.

We are building a total defense on land and sea and in the air sufficient to repeal total attack from any part of the world. Forewarned by the deliberate attacks of the dictators upon free peoples, the United States, for the first time in its history, has undertaken the mustering of its men in peacetime.

Unprecedented dangers have caused the United States to undertake the building of a navy and an air force sufficient to defend all the coasts of the Americas from any combination of hostile powers.

We have asked for, and we have received, the fullest cooperation and assistance from industry and labor. All of us are speeding the preparation of adequate defense.

And we are keeping the nations of this hemisphere fully advised of our defense preparations. We have welcomed the military missions from neighboring republics; and in turn our own military and naval experts have been welcomed by them. We intend to encourage this frank interchange of information and plans.

We shall be all for one and one for all.

This idea of a defense strong enough and wide enough to cover this half of the world had its beginnings when the Government of the United States announced its policy with respect to South and Central America. It was the policy of the good neighbor, the neighbor who knew how to mind his own business, but was always willing to lend a friendly hand to a friendly nation which sought it, the neighbor who was willing to discuss in all friendship the problems which will always arise between neighbors.

From the day on which that policy was announced, the American Republics have consulted with each other; they have peacefully settled their old problems and disputes; they have grown closer and closer to each other; until at last in 1938 at Lima, their unity and friendship were sealed . . .

The core of our defense is the faith we have in the institutions we defend. The Americas will not be scared or threatened into the ways the dictators want us to follow.

No combination of dictator countries of Europe and Asia will halt us in the path we see ahead for ourselves and for our democracy.

No combination of dictator countries of Europe and Asia will stop the help we are giving to almost the last free people now fighting to hold them at bay.

Our course is clear. Our decision is made. We will continue to pile up our armaments. We will continue to help those who resist aggression, and who now hold the aggressors far from our shores. Let no American in any part of the Americas question the possibility of danger from overseas. Why should we accept assurances that we are immune? History records that not long ago those same assurances were given to the people of Holland and Belgium and Norway . . .

That is why we arm. Because, I repeat, this nation wants to keep war away from these two continents. Because we, all of us, are determined to do everything possible to maintain peace in this hemisphere. Because great strength of arms is the practical way of fulfilling our hopes for peace and for staying out of this war or any other war. Because we are determined to muster all our strength so that we may remain free.

That is the Dayton speech of 1940.

Senator LAUSCHE. When in 1940 was it? Was it in the campaign?

Senator MORSE. Yes, it was in the campaign.

PUT THE SPEECH IN THE RECORD

The CHAIRMAN. I remind the Senator he said he would like 30 minutes.

Senator MORSE. October.

Senator LAUSCHE. He has had nearly 40 minutes. I think we should be permitted to go to lunch. Why can we not put some of the speech in the record? It would be perfectly proper to do so, and then you can use it on the floor.

Senator MORSE. May I take a minute for the speech from which he quotes?

Senator Lausche. I am perfectly willing to put it in the record so you will have it complete in the record and then you can use it on the floor if that is agreeable.

Senator Morse. I will put the quotation in, but let me say this, if you will, Mr. Chairman: What I am putting into the record on the speech from which he quotes, which contains the language which——

Senator Lausche. Why can it not be included in the record as if he had fully read it?

The Chairman. In this record, certainly, yes. It can be done.

Senator Morse. I will put it into the record.

The Chairman. In other words, right now you put in all of that speech, Mr. Reporter, that the Senator was about to read.

FDR'S NEW YORK CITY SPEECH

[The speech referred to follows:]

In a campaign speech in New York City on October 28, 1940, Roosevelt dwelt mainly on foreign policy, warning the American people of the dangers they faced, despite our national desire to remain at peace.

> In July 1937, Japan invaded China.
>
> On January 3, 1938, I called the attention of the nation to the danger of the whole world situation.
>
> It was clear that rearmament was now, unfortunately, a necessary implement of peace. I asked for large additions to American defenses. Yes, I was called an alarmist—and worse names than that. I have learned by now to take it on the chin.
>
> In March 1938, German troops marched into Vienna.
>
> In September 1938 came the Munich crisis. German, French, and Czech armies were mobilized. The result was only an abortive armistice.
>
> I said then: "It is becoming increasingly clear that peace by fear has no higher or more enduring quality than peace by the sword."
>
> Three months later, at Lima, Peru, the 21 American Republics, including our own, solemnly agreed to stand together to defend the independence of each one of us.
>
> That declaration at Lima was a great step toward peace. For unless the Hemisphere is safe, we are not safe.
>
> Matters in Europe grew steadily worse. Czechoslovakia was overrun by the Nazis. General war seemed inevitable.
>
> Yet even then, in the summer of 1939, the Republican leaders kept chanting, "There will be no war."
>
> A few months later—on the first of September 1939—war came.
>
> The steps which we had carefully planned were put into effect.
>
> American ships were kept from danger zones.
>
> American citizens were helped to come home.
>
> Unlike 1914, there was no financial upheaval.
>
> Very soon, in a few weeks, the American Republics set up at Panama a system of patrolling the waters of the whole Western Hemisphere, with success.
>
> I am asking the American people to support a continuance of this type of affirmative, realistic fight for peace. The alternative is to risk the future of the country in the hands of those with this record of timidity, weakness and shortsightedness or to risk it in the inexperienced hands of those who in these perilous days are willing recklessly to imply that our boys are already on their way to the transports.

BOSTON SPEECH

Excerpts from the Boston speech discussed by Robert Sherwood, October 30, 1940:

> Campaign orators seek to tear down the morale of the American people when they make false statements about the Army's equipment. I say to you that we are supplying our Army with the best fighting equipment in all the world.

Yes, the Army and the Defense Commission are getting things done with speed and efficiency. More than eight billion dollars of contracts for defense have been let in the past few months.

I am afraid that those campaign orators will pretty soon be under the painful necessity of coming down to Washington later on and eating their words.

I cannot help but feel that the most inexcusable, most unpatriotic misstatement of fact about our Army—a misstatement calculated to worry the mothers of the Nation—is the brazen charge that the men called to training will not be properly housed.

The plain fact is that construction on Army housing is far ahead of schedule to meet all needs, and that by January fifth, next, there will be complete and adequate housing in this nation for 930,000 soldiers.

And so I feel that, very simply and very honestly, I can give assurance to the mothers and fathers of America that each and every one of their boys in training will be well housed and well fed.

Throughout that year of training, there will be constant promotion of their health and their well-being.

And while I am talking to you mothers and fathers, I give you one more assurance.

I have said this before, but I shall say it again and again and again: Your boys are not going to be sent into any foreign wars.

They are going into training to form a force so strong that, by its very existence, it will keep the threat of war far away from our shores.

The purpose of our defense is defense.

Senator MORSE. I will put it in, but I want to say this, and it will not take a minute.

IN CASE OF ATTACK

Remember it is this sentence in the speech that I am now putting in the record, "Your boys are not going to be sent into any foreign wars," that she uses as the basis of her charge that he lied us into war, when the rest of the speech makes perfectly clear that we were going to continue the same policy that he discussed in his "quarantine" speech.

We were not going to get ourselves involved in a war, but when we were attacked, every American knew we would be involved in a war.

Senator LAUSCHE. When did he make that statement that our boys will not go into foreign wars?

Senator MORSE. In 1940.

Senator MANSFIELD. At Boston.

Senator MORSE. October 30, 1940.

Senator LAUSCHE. The Dayton speech was in October and this was in October?

Senator MORSE. That is right.

Now, I will put that material in and I will summarize the rest of my position in a minute.

First, I say, as I do with this material, that Brazil joined us, sent a division to the boot of Italy, gave us naval bases, and helped us keep the Atlantic sea lanes clear; in my judgment, to send to Brazil as Ambassador a woman who still takes the position that they, too, apparently, were lied into a war because they joined with us as an ally, is a serious mistake.

MRS. LUCE IN ITALY

I will very quickly say there is no doubt in my mind that she did not follow State Department policy in the intervention in the Monarchist political campaign in Italy in 1953. And all you have to do is take a look at what President Gronchi said in Italy at the time he beat her and the Monarchists and was elected. That leaves no room for doubt as to the great injury she did to the United States in Italy. In fact, for a time it looked as though Gronchi was going to ask for her recall, he was so incensed at this American Ambassador's intervention in Italian politics.

In my judgment she was outside of her purview and rights as an Ambassador and we ought to make perfectly clear we are not going to appoint ambassadors that have that record of meddling in the domestic and political affairs of countries to which they are sent, particularly when sending one to a spot as delicate and difficult as Brazil.

Last, her interference in the economic affairs of Italy, in my judgment, disqualifies her as a diplomat. There is no question that she tried to interfere in the oil monopoly policies of Italy; so for that reason I consider her incompetent. I will rest my case on her incompetency, although I want this record to show I also would not vote for her on the grounds of character. I do not happen to think she has the character that justifies her being appointed as Ambassador. But I will present my evidence on the incompetency.

That is my case, Mr. Chairman.

The CHAIRMAN. Any further comment?

LETTERS TO THE COMMITTEE

I think the record should show that the committee has received letters and telegrams as of this morning. I made a statement the other day which, of course, was not final. As of this morning, was it not, Mr. Denney——

Mr. DENNEY. I am not sure.

The CHAIRMAN. Twenty-six letters and telegrams supporting the nomination, and 58 opposing. They are private letters and I do not feel they should be put in the record. I think it is pertinent for the record. Anything further?

We will stand adjourned until 2 o'clock.

[Whereupon, at 1:10 p.m., the committee recessed to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Present: Chairman Fulbright, Senators Green, Humphrey, Long, Morse, Church, Hickenlooper, Langer, Aiken, and Carlson.

The CHAIRMAN. The committee will come to order.

Do I hear any motions?

Senator HICKENLOOPER. I move we confirm the nomination and recommend it to the Senate.

The CHAIRMAN. The Senator from Iowa moves that the nomination of Mrs. Luce be approved.

Do I hear a second?

Senator AIKEN. I second it.

The CHAIRMAN. The Senator from Vermont seconds it.

Any discussion?

Senator MORSE. Roll call.

The CHAIRMAN. There is no discussion. The clerk will call the roll.

Mr. HOLT. Mr. Green.

The CHAIRMAN. Senator Green gave me his proxy, he votes aye.

Mr. HOLT. Mr. Sparkman.

The CHAIRMAN. Well, his was on here.

Mr. MARCY. Yes.

Senator HICKENLOOPER. He said just as he left.

The CHAIRMAN. He told me this morning he would vote aye.

Mr. HOLT. Mr. Humphrey.

Senator HUMPHREY. Aye.

Mr. HOLT. Mr. Mansfield.

[No response.]

Mr. HOLT. Mr. Morse.

Senator MORSE. No.

The CHAIRMAN. Wait a minute. Where is Mansfield's name? I know he wants to vote aye.

Mr. MARCY. He has not indicated to any of us how he wanted to vote.

The CHAIRMAN. He is not on this list. Call him on the floor, somebody.

Mr. HOLT. Mr. Long.

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Kennedy.

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Gore.

[No response.]

Mr. HOLT. Mr. Lausche.

The CHAIRMAN. I do not have it, either. I know they want us to vote for them. They are on the floor, Kennedy and Lausche both. Check on the floor.

Apparently they overlooked who was leaving.

Mr. HOLT. Mr. Church.

Senator CHURCH. Aye.

Mr. HOLT. Mr. Wiley.

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Hickenlooper.

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Langer.

Senator LANGER. Aye.

Mr. HOLT. Mr. Aiken.

Senator AIKEN. Aye.

Mr. HOLT. Mr. Capehart.

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Carlson.

Senator CARLSON. Aye.

Mr. HOLT. Mr. Chairman.

The CHAIRMAN. Aye.

We will wait until we hear from the others.

I happen to know because I talked to them, as you all know; these men will vote aye.

Senator AIKEN. I do not know about Russell Long, but Jack and Frank Lausche and Mike endorsed her at the hearing.

The CHAIRMAN. I voted Long on here. He had left his proxy.

Mansfield, Gore, and Lausche all intend to vote for her, I think.

Senator HUMPHREY. Can we poll them?

Senator AIKEN. Mr. Mansfield said her record was outstanding.

Senator AIKEN. Mr. Kennedy, on page 17, supports her nomination wholeheartedly.

The CHAIRMAN. I know he does.

Mr. MARCY. Mr. Mansfield.

Senator MANSFIELD. Aye.

SCHEDULE OF MUTUAL SECURITY HEARINGS

The CHAIRMAN. While we are waiting, let Mr. Marcy tell you a little about the mutual security, because it is coming up soon.

Mr. MARCY. The mutual security hearings tentatively have been scheduled to begin on May 4, a week from Monday, and it may be actually May 5 because the administration would like to have Mr. Herter as the leadoff witness and he will not be back from his first trip to Paris until the 5th.

This sort of preliminary planning with the administration makes it look as though they would be able to present the administration's case in about 11 two-hour sessions, so roughly that week of May 4, and the following week, the week of May 11, will probably be pretty fully occupied.

We can use some guidance from the committee on setting these hearings up, whether you want to go morning and afternoon, or just meet every morning, bearing in mind that just to present the administration's case would take about 11 sessions.

Senator HICKENLOOPER. I thought they would try to cut it down.

Mr. MARCY. It is much shorter than it has been in the past.

I should say in addition that the committee probably would want to hear Ralph Straus, who submitted a report this year, and probably General Draper, as well as take at least a day for public witnesses; then we would have to add to that time for markup.

MOTION IS CARRIED

The CHAIRMAN. They cannot find them. The vote then would be 14 to 1, would it not?

Mr. MARCY. 14 to 1, yes, sir.

The motion is carried, 14 to 1.

Senator HICKENLOOPER. I suggest if we find these fellows later today and they want to put their vote in the record, they be permitted to do it.

The CHAIRMAN. Without objection, the absentees will be permitted to put their vote on the record, but I think as of the present we have to give the press an announcement.

Senator AIKEN. Lausche and Gore.

The CHAIRMAN. The motion is carried. The committee is adjourned.

[Whereupon, at 2:15 p.m., the committee adjourned.]

DEVELOPMENTS IN TIBET AND IRAQ

[EDITOR'S NOTE.—In March 1959 the Tibetan Government attempted to restore its autonomy by revoking a 1951 treaty which had granted control of its military and foreign affairs to the People's Republic of China. Fighting then broke out between Chinese troops and Tibetan forces in the capital city of Lhasa and elsewhere in the country. As the Chinese emerged victorious, the ruling Dalai Lama fled to India. On March 28 China reestablished control over Tibet, dissolved the cabinet, and installed the Panchen Lama as head of a puppet government.

The situation in Iraq had been unstable since the overthrow of the pro-Western King Faisal in 1958 and the movement of the new government, under Maj. Gen. Abdul Karim el-Kassem, toward the Soviet Union. Following a brief and unsuccessful rebellion against Kassem in early March 1959, Iraq withdrew from the Baghdad Pact, abrogated several arms pacts with the United States, and carried out a purge of anti-Communists. When the Kassem government charged that the United Arab Republic had organized the rebellion, President Nasser denied any involvement and blamed the rift between Arab nationalists on the growing influence of the Soviet Union in Iraq—to which Soviet Premier Khrushchev replied that Nasser was a "rather hotheaded young man." Nasser also blamed the United States and Great Britain for their support of the previous Iraqi regime and for Iraq's membership in the Baghdad Pact. He claimed to have warned Secretary Dulles in 1953 that "when you pressure governments to follow you, they will be called your agents."]

TUESDAY, APRIL 28, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, in the committee room, United States Capitol Building, at 10:15 a.m., Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Morse, Long, Kennedy, Gore, Wiley, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, Mr. Newhouse, and Mr. St. Claire of the committee staff.

Robert Amory, Jr., Deputy Director (Intelligence), and John S. Warner, Legislative Counsel, Central Intelligence Agency.

The CHAIRMAN. We have Mr. Allen Dulles to brief us particularly on Tibet and Iraq which we are interested in.

If you care to start out then we will ask a few questions if that is agreeable.

STATEMENT OF ALLEN W. DULLES, DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Mr. DULLES. Mr. Chairman and gentlemen: We have been following the Tibetan situation very closely since 1956 when we began to receive reports indicating the spread of the Tibetan revolt against the Chinese

Communists, particularly in the areas in the South inherited by the Kamba tribes who have always been resistant to the Chinese authority.

Reports in late 1958 and early 1959 indicated rising tensions among the Tibetans especially when, as a result of the news of the communization in Communist China, the Communist programs aroused apprehension. By early March 1959 the stage was set for serious outbreaks. Fear that the Chinese were planning to kidnap the Dalai Lama touched off the revolt on March 10 in Lhasa.

Thousands of Tibetan demonstrators took the Dalai Lama in protective custody in his summer palace just outside of Lhasa. Well-organized supporters of the Dalai Lama knocked out a Chinese outpost manned by about 80 soldiers, interrupted communications with Peking, and plastered the walls of Lhasa with posters declaring the independent Kingdom of Tibet.

At this early stage of the revolt, the Chinese, too, attempted to get the Dalai Lama to induce the rebels to disband. Political representatives from Peking in Tibet sent three letters to the Dalai Lama. He sent three replies designed to avoid an armed clash. As late as March 17 the Dalai Lama still hoped for a peaceful solution.

ESCAPE OF THE DALAI LAMA

But when shells fell near the summer palace, he decided the time had come to leave. The Dalai Lama, his mother and younger brother and two sisters slipped out of the palace on March 17 and joined the escape party. They went out in disguise and under cover of the monks and others who had surrounded the palace to protect him.

The Dalai Lama requested, as soon as he left, asylum in India for himself and his party.

Serious fighting began on March 19 in Lhasa and continued for several days. On March 22 the rebels were driven from Lhasa. The Chinese cleaned up Lhasa pretty thoroughly, and it is now under Chinese Communist control. Reports of the fighting indicate that many thousands were killed in the Capital, and young men rounded up and sent away, presumably put into forced labor gangs. The Dalai Lama was formally granted asylum by Nehru during the secret March 31 meeting with the Dalai Lama's brother. The Dalai Lama crossed Tibet's southeastern frontier and entered India near Towang, on the same day.

The story of his escape was a rather dramatic one.

[Discussion off the record.]

Senator GREEN. Is he the eldest of the family, the Dalai Lama?

Mr. DULLES. Not necessarily. The selection of the Dalai Lama is according to very old Buddhist rites, and he may or may not be—I don't think in this case he is. Hasn't he an older brother?

Mr. AMORY. I think the older brother was in India.

Mr. DULLES. I think the one in India who is working with him now is an older brother. There are two older brothers here. [Deleted.] But the age element plays no part.

THE PANCHEN LAMA

The radio, too, has sometimes misstated that the Panchen Lama is related to the Dalai Lama. They are no relation at all. They are just young boys he selected and trained according to the old Buddhist rites and it might be the youngest son, the oldest son, or an oldest son. It just happens to be the one they choose according to these rites.

Senator GREEN. It has to be a son though?

Mr. DULLES. No. A son of somebody, but not a son of anyone who has formerly been a Dalai Lama.

Senator GREEN. It would have to be a son of a human?

Mr. DULLES. A son of a human being, yes. It is not a son of anyone in any hierarchy, and no Dalai Lama is related to any other Dalai Lama.

Senator GREEN. What we call a son-of-a-gun.

Senator SPARKMAN. Is the Panchen Lama a kind of a deputy to the Dalai Lama?

Mr. DULLES. No. Nothing is ordinary in Tibet. The Panchen Lama has certain spiritual rights in a certain area; he has a monastery and I believe some 15,000 monks who more or less consider him as their spiritual leader. The Panchen Lama is not supposed to have political powers. The Dalai Lama has both political and spiritual powers, and the Panchen Lama's authority is supposed to be limited to an area around Shigatse, where a large monastery is. In a sense he is second in the religious hierarchy in Tibet.

Senator SPARKMAN. But not necessarily in the political sense?

Mr. DULLES. But not necessarily in the political line. The Chinese Communists are using him as such but I understand that is not correct. If the Dalai Lama died, he would not succeed the Dalai Lama. There would be a new Dalai Lama that would be selected.

Senator GREEN. Is there an heir apparent?

Mr. DULLES. There is no heir apparent, no. The selection is made after the Dalai Lama dies according to certain rites. They pick a young boy and then train him to be the Dalai Lama.

Senator HICKENLOOPER. They can select the Dalai Lama as they do from any part of the world.

Mr. DULLES. Oh, yes. This Dalai Lama was not born in Tibet. He was born in China, and there are as many Tibetans outside Tibet in mainland China and elsewhere as there are in Tibet. There are about 1,300,000 Tibetans in Tibet according to our best guess, and there are about an equal number of Tibetans that are outside in other provinces of China adjoining Tibet.

CHINESE POLICY IN TIBET

Peiping dissolved the local Tibetan Government on March 26 and replaced it with the Communist-sponsored preparatory committee for Tibet. Thus the Chinese Communists reversed the policy they had followed since 1951 which had been that of working through local institutions and gradually replacing them with Communist organizations.

They also broke with their treaty, of which I have a copy here and which I could file with the minutes of this meeting if it is of interest to you.

The Chinese are using their puppet, the Panchen Lama, as the temporary head of the preparatory committee, leaving the door open for the slim chance the Dalai Lama can be persuaded to return. Some years ago when the Dalai Lama went to India, Nehru did persuade him to go back and he has taxed Nehru with that. He thinks that was a mistake. He thinks he probably should not have gone back in 1956.

Senator **Morse**. Do you think, Mr. Dulles, that action in China yesterday electing him to something—I wasn't quite clear from the press this morning—is pursuant to the point you have just made, that they hope to seduce him back into China? What did they elect him to yesterday?

Mr. **Amory**. The Central Committee of the Government as opposed to the Central Committee of the Party.

Senator **Morse**. Yes.

Mr. **Amory**. It is highly honorific and an unimportant function.

Senator **Morse**. That is for propaganda purposes?

Mr. **Dulles**. I feel sure they would like to lure him back, Senator, if they could.

Senator **Morse**. They make this gesture to show for propaganda purposes that they are not opposed to him.

Mr. **Dulles**. I don't think there is the slightest likelihood that he will go back. He learned his lesson now and I don't think he will go back unless he gets agreement which the Indians and others subscribe to so that he feels he has some security.

Senator **Carlson**. In the first instance, was he driven out of Tibet at that time?

Mr. **Dulles**. Not in 1956, no. He came out then on his own to visit India and see Nehru, but he was worried at that time about the developments in the attitude of the Chinese Communists toward the agreement.

TIBET IS NOT AN INDEPENDENT STATE

Of course, as you know, Tibet is not an independent state. It was under China for many years, and this agreement that was entered into I believe originally on May 23, 1951—the original agreement between the Chinese Central People's Government and the Tibetan Government on the administration of Tibet—spells out the rights that the Tibetans and the Chinese should have.

Senator **Carlson**. Was the Dalai Lama a signatory to this agreement?

Mr. **Dulles**. I think I will have to go into a huddle on that. I don't think he was. I don't see his name on that piece of paper. But he lived under it. He accepted it in fact.

Senator **Sparkman**. You stated that Tibet had been under the suzerainty of China for many years. Does that mean centuries?

Mr. **Dulles**. I believe centuries.

Mr. **Amory**. Since 1720. It is roughly two and a half centuries.

Senator **Sparkman**. Was it independent at that time?

Mr. **Amory**. It was conquered by the Mongols in the 14th century briefly, but the Mongols were more or less converted; the local Mongol declared his autonomy, and that actually isn't regarded as an incorporation of Tibet into China. It was done in 1720, both Chinese historians and Western historians giving that as the date.

Senator **Mansfield**. Mr. Dulles, isn't it true, though, that the most that could be said about the tieup between Tibet and China during the Manchus was that it was semi-autonomous?

Mr. **Dulles**. That is correct. The Peking Government had the right to direct its foreign policy and its defense policy. But as to internal matters——

Senator **Mansfield**. Didn't the Chinese from Peking and the British from India also simultaneously maintain resident commissioners in Lhasa?

Mr. **Dulles**. Yes, largely for trade purposes, and that was fairly recently. I don't remember how long ago, but I remember the young husband's visit. It was long after that. I would say they had a resident there 20 or 30 years ago but not for very long.

BROTHERS OF THE DALAI LAMA IN THE UNITED STATES

Senator **Mansfield**. You mentioned that there are two brothers of the Dalai Lama in this country?

Mr. **Dulles**. That is correct.

Senator **Mansfield**. Are they at Johns Hopkins?

Mr. **Dulles**. I don't think they are now. We are in close touch with both of them. I don't think they are in educational institutions. They have been pretty busy recently on other matters.

Senator **Mansfield**. I am just going back in memory. It seems to me that several years ago there were some Tibetans at Johns Hopkins. I don't know what their position was there. But this must have been 6 or 7 years ago.

Mr. **Dulles**. [Deleted.]

Senator **Mansfield**. What is the relationship between the Dalai Lama in Tibet and the leader in Outer Mongolia?

Mr. **Dulles**. I think you have me there.

Senator **Mansfield**. He is another Lama.

Mr. **Dulles**. I don't think there is any blood relationship. We know all the blood. There are four brothers.

Senator **Mansfield**. I was just thinking of the religious relationship.

Mr. **Dulles**. I will look that up. I can't answer that.

Mr. **Amory**. There is some relationship because when the British invaded Tibet 50 years ago the then Dalai Lama fled to his co-religionists in Olembata in Mongolia and holed up there.

DIFFERENCE BETWEEN MONGOLIA AND TIBET

Senator **Sparkman**. I notice on this map that Tibet is placed in the same color as China as a whole. I don't know whether that line that runs right down through the word "plateau" is the boundary line.

Mr. **Dulles**. That is the boundary line, yes.

Senator **Sparkman**. Mongolia is a different color. Does that mean that the mapmakers consider Tibet more nearly a part of China? Mongolia is not a part of China at all.

Mr. **Dulles**. It is an independent state.

Senator **Sparkman**. It is a sudsidiary of Russia now, isn't it?

Mr. **Dulles**. Yes. There were conflicting rights and claims in Mongolia between the Chinese and the Soviet Union. From here I can't really see the difference in shading.

I will tell you the dark part is—no, it is not mountainous either.

Senator **Morse**. Even on that, John, Manchuria is a lighter green than the rest of China.

Senator **Sparkman**. It is?

Senator **Morse**. Yes.

Senator **Sparkman**. Tibet though is the same as the main part of China?

Mr. **Dulles**. One of the difficult and delicate features today is the fact that no country has recognized the independence of Tibet.

The Tibetans sent a delegation here some time in the 1940's. I remember they were in New York and tried to get recognition at that time from the United States as an independent state. They did not receive it. The Nationalist Chinese until the present time have never recognized the independence of Tibet. They might do so if they could.

Senator **Mansfield**. Mr. Dulles, during the war there was an American colonel who was the son of the grandson of a Russian novelist, Tolstoi.

Mr. **Dulles**. Tolstoi, yes. He made a trip there.

Senator **Mansfield**. From Philadelphia. He made a trip there.

Mr. **Dulles**. That is correct.

Senator **Mansfield**. And I think at that time they carried messages from President Roosevelt and made gifts as well and in return they brought something back.

Mr. **Dulles**. I remember the trip very well, and during the war we were in close touch. He was working very closely with General Donovan [1] at that time.

Senator **Mansfield**. Yes.

Mr. **Dulles**. I think he made that trip under his auspices.

Senator **Mansfield**. Is Colonel Tolstoi still in the Army?

Mr. **Dulles**. No, I think not. [Deleted.] I think he is in New York. I will find out.

Senator **Mansfield**. He ought to be a good man to contact on this.

Mr. **Dulles**. He is very familiar with that country and there's quite a famous Austrian named Hora who has written an extraordinary book about Tibet. He is on his way back there. [Deleted.]

Senator **Mansfield**. Can you recall the name of that Irish captain who was with Tolstoi at that time? This was 1944, I believe.

Mr. **Dulles**. Do you remember?

Mr. **Warner**. I do not.

Senator **Mansfield**. He was a Philadelphian as I recall.

Mr. **Dulles**. [Deleted.]

CHINESE ACTIONS AGAINST THE REBELS

The Chinese are now engaged in mopping up the rebels outside the key strong points. I regret to say they are having a great deal of success in doing that. The total number is around 61,000 Chinese Communist troops in Tibet at the present time.

The Chamdo tribesmen have been very hard pressed. We have had messages from our people who are with the Chamdo tribesmen. They are short of food and ammunition. They are being pressed toward the Indian frontier and it is quite possible that large numbers of Tibetans will make requests for permission to enter India. It is also quite probable that they will be extraordinarily short of food.

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[1] General William J. Donovan, director of the Office of Strategic Service during World War II.

REFUGEE CAMPS IN INDIA

Senator MORSE. India is taking many refugees in now, according to newspaper reports; is that correct or false?

Mr. DULLES. We believe it is correct according to the reports that we have, and the number may run into the thousands. We think it is better not to advertise that too much at the present time because we believe that Nehru is more likely to let them in if they come quietly rather than advertise a massive entry of Tibetans into India.

Senator MORSE. I should think so, but this morning's paper talks about their setting up a refugee camp for them.

Mr. DULLES. Yes. There has been a committee organized in New York that we are in touch with and working with, and it is planned to try to bring aid. We have discussed the matter in full with General Gruenther at the Red Cross, so if there should come a request from the International Red Cross or the Indian Red Cross or other Red Crosses, we would be in a position to respond to that request.

Senator GREEN. What are the pros and cons in India as to letting them in?

Mr. DULLES. From the point of view of the Indian Government, the Indians are afraid of the Communist Chinese, and what they do they would like to do rather quietly so they can say to Peiping, "Well, these people are here. They are in our country. We can't throw them back," rather than have them file through and each one be granted asylum.

It is a very rough and tough frontier. The Indians are not in any position to patrol that whole frontier, and just as the East Germans are moving to West Germany by the thousands, these people could come over the frontier.

We believe that the best way for it to work out is for them to come over without any formal grant of asylum en masse, which Nehru might refuse.

And if he were forced to refuse it, then it might cause difficulty for these refugees to come in.

CHINESE COMMUNIST TROOPS

Senator GREEN. My question was aimed at whether they wanted them or not.

Mr. DULLES. If Nehru could put the whole Tibetan issue under a rug he would like to do it; but he is not in a position to do that. Therefore, I think some of these things can best be handled informally rather than too formally. We have pathetic reports about the condition of the people on the frontier. There is a shortage of food. They haven't any more ammunition to fight against the extremely well-organized Chinese operations. It is comparable in a sense to the Hungarian operation. [Deleted.] But the cleanup in the Tibetan area is comparable to what took place in Hungary. It takes them longer.

The CHAIRMAN. If the Chinese are determined, there is no possibility of their being resisted, is there?

Mr. DULLES No. They haven't the ammunition, they haven't the organization. They may be able to reassemble in certain mountain areas there and hold out for some time. But it is terribly difficult country. I mean there is no cover. There isn't the cover that there is for guerrilla operations.

AN INDO-TURKISH PEOPLE

The **Chairman**. Are they racially akin to the Chinese or Mongols?

Mr. **Dulles**. Yes.

The **Chairman**. Which? Chinese?

Mr. **Dulles**. Do you know, Bob?

Mr. **Amory**. They go back thousands of years as an Indo-Turkish people. They are much more like the Mongols. People of lowland China, the Mongols, the Urgas and the Cossacks in Southwestern Russia would be more cousinly than they are to the basic Chinese.

The **Chairman**. Closer to the Russians, the Cossacks?

Mr. **Amory**. The Cossacks were conquered by the Russians.

Mr. **Dulles**. I have a somewhat detailed account I could give of just what took place in Lhasa and how the Dalai Lama got out, but I don't want to take too much of your time, Mr. Chairman. I don't know whether you want to go into the details.

GET THE INFORMATION OUT

The **Chairman**. We had better go on to Iraq because possibly there is something we can do about it. This is interesting but I don't believe we can do a thing about it.

Mr. **Dulles**. We can I think do this and we are. [Deleted.]

The **Chairman**. Yes, that is correct.

Mr. **Dulles**. And get the Southeast Asians to understand what has gone on here.

The **Chairman**. Yes.

Mr. **Dulles**. Because Hungary was done openly right before the world, and they could not suppress the news of this. Here in these great mountain areas they can suppress the news. The facts are not really known. What we are trying to do, not tied into the United States or anything the United States has done, but in other ways, is to get this information out. For example, we have played back information that we received to the Dalai Lama and then from the Dalai Lama to Nehru and to the Indians.

INFLUENCE OF BUDDHISM

The **Chairman**. What relation is there between the Buddhism of Tibet and the Buddhism of Burma and Thailand?

Mr. **Dulles**. That is a very complicated issue. There are two great sects in the Buddhist religion, the greater vehicle and the lesser vehicle, somewhat like the Christian faith, you are Protestant or you are Catholic. It is somewhat the same thing in the Buddhist. There are two divisions, and some of the countries belong to the greater vehicle and some to the lesser vehicle. I don't know which of the countries is closest to Tibet. Could you answer that, Bob?

Mr. **Amory**. I would only say that both of the two major sects regard the Lamaistic Buddhists of Tibet as unorthodox. In other words, they are not accepted into either the bigger wheel or the lesser wheel, which is centered in Ceylon and Southeast Asia, respectively.

But both of them regard them as as much Christian as the direct orthodox church is regarded as Christian by Protestants or Catholics. But it is more a three-way split, I think.

DIRECT PHYSICAL ASSISTANCE

The CHAIRMAN. I agree it has propaganda value to impress upon Southeast Asia the danger of the Chinese Communists. It would be very valuable. What I mean is any direct physical assistance.

Mr. Dulles. I think all that we can do at this time is, if there are refugees through the Red Cross and through philanthropic organizations, to do everything we can to see that they are taken care of if India will give them refuge.

The CHAIRMAN. Do you mean help resettle them in Southeast Asia?

Mr. DULLES. Further, if Nehru does not give the Dalai Lama any freedom of action, the question might arise as to whether he should go to some other Buddhist country such as Thailand, where he could have more freedom of action.

The CHAIRMAN. Yes.

Mr. DULLES. To express himself openly to the world.

The CHAIRMAN. Yes.

Mr. DULLES. It would be better if he could stay in India, because up in the North, while India is not Buddhist any more, India is Hindu and Moslem; but there are a good many Buddhists and Buddhist monasteries on the border. So it would be well if he could stay in India.

But if Nehru will not allow him freedom of action, I think he may wish to move to other parts of the world.

RELATIONSHIP TO NEPAL

Senator MANSFIELD. Isn't there a very close relationship to the Buddhism practiced in Nepal and the Buddhism in Tibet?

Mr. DULLES. That is correct.

Senator MANSFIELD. A series of pilgrimages there all the time?

Mr. DULLES. That is correct.

Senator MANSFIELD. Doesn't it place Mr. Nehru in a delicate position because of his relationship to Nepal?

Mr. DULLES. Yes, but he would be very anxious that the Buddhists in Nepal should be pro-Indian rather than pro-Chinese Communists.

Senator MANSFIELD. Oh, yes.

Mr. DULLES. He is very disturbed about developments in Nepal. There are threats now that the Soviet Union will establish a diplomatic mission. We know what goes with the Soviet diplomatic mission, so the Nepal situation is quite sensitive at the moment.

RELATIONSHIP TO TAIWAN

Senator MANSFIELD. What is the relationship of Chiang[2] to the Tibetan situation? I notice there are statements being issued from Taiwan now and again offering assistance, encouragement, even going so far, I believe, as to offer them independence.

Mr. DULLES. That is correct. They have played it up a good deal. That has not been with any encouragement from our side. The Dalai Lama does not feel particularly friendly toward the Chinese Nationalists, because they did not recognize or give independence to the Tibetans at the time when they were in power in China.

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[2] Gen. Chiang Kai-Shek, President of the National Republic of China (Taiwan).

So we have felt, and the Chinese Nationalist leaders have pretty well recognized, that they ought not to be too active in this arena.

There has been some talk about their recognizing the independence of Tibet. I believe that is under consideration. There are certain technical difficulties about doing it in any formal way, because the Chinese Constitution, under which the Chinese are operating, requires going through certain technical steps to abandon territory, and it's not easy for them to comply with those technicalities. It is a matter that is under consideration.

SITUATION IN IRAQ

The CHAIRMAN. Mr. Dulles, maybe we had better go on to Iraq, for time is slipping by.

Mr. DULLES. All right, sir.

Turning to Iraq, during the 9½ months since the Iraq revolution of July 14 last year, the Communists have become the strongest single influence in the country. They are rapidly moving toward a position where they will exercise outright control, whether from the facade of a national front or as an outright people's democracy.

The Communists have moved to this position of power in Iraq from a place of negligible influence, with the party almost totally repressed and its key leaders jailed or deported by the Nuri government.

The swift Communist progress has resulted from effective coordination between the planned activities of the disciplined hard core of the Communist Iraq Party and the diplomatic, economic and military aid programs of the Sino-Soviet bloc states.

The Communists have taken advantage of the opportunities presented by the local situation, particularly by the contest for power after the 14 July military coup between Kassem and pro-Nasser elements originally led by Arif,[3] who is now in jail.

When Kassem felt he needed more than his own popular standing to win out in his struggle against the Egyptian-Syrian supported Nationalists in Iraq, the Iraq Communist Party was ready with support of its own mushrooming organization. Also the Sino-Soviet bloc was ready with support in the form of diplomatic overtures, a whole series of cultural, scientific and technical agreements, scholarship programs for Iraqi students and substantial aid in the form of barter agreements.

SOVIET ARMS SUPPORT

The U.S.S.R. has made a $168 million arms deal, and nine shiploads have been delivered to Iraq to date. These shiploads have included tanks, heavy guns, small arms, and we think a few aircraft. Some of the ships going in had suspicious-looking crates and these probably included some aircraft. In addition to that, they have given Iraq $137.5 million credit for economic development supervised by Soviet specialists, whom they have sent in large numbers.

Senator MORSE. May I ask one quick question, Mr. Dulles?

Mr. DULLES. Yes, sir.

Senator MORSE. They don't have the airlanes so they could fly the aircraft in, and therefore they would have to ship them in?

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[3] Iraqi State Minister Fuad Arif.

Mr. Dulles. They could not fly them in, Senator, without overflying areas. I wouldn't say that at night they could not smuggle in planes that way, because that narrow corridor, which includes Turkey and Iran, is not very well patroled.

Of course, they might be picked up by radar. If any substantial numbers were flown in, they probably would be picked up. It would require the violation of the air space of other countries.

POWER OF COMMUNISTS IN IRAQ

The Communist Party leaders have been using their growing power and special influence with Kassem gradually to eliminate the anti-Communists from key government and army posts.

Whether these anti-Communists are pro-Nasserites, plain Iraqists or socialists, it has not mattered very much. The process has continued. The jails are full and they have had to requisition apartments and other buildings to house the prisoners.

You may recall a month or so ago they had quite a shindig in the North of Iraq with some of the tribes moving in, and some tribes moving in from Syria. It was put down very effectively.

The UAR-supported abortive Mosul revolt last March paved the way for an even more vigorous and open growth of Communist influence. As a result the Kassem government has undertaken a sweeping campaign of purging and arresting leading anti-Communists in the army and the bureaucracies. They have been changing the leaders and the generals in most of the divisions so as to put in pro-Kassem leaders and leaders that are not anti-Communists. All significant information media inside Iraq are now in Communist hands.

Senator Mansfield. In Communist hands?

Mr. Dulles. All significant information media, that is press and radio. By Communists, I don't mean Soviet Communists but local Communists.

POPULAR RESISTANCE FORCE

The size of the Communist-dominated popular resistance force has been increased. Nominally under army control, it is apparently getting some arms. Its members act as a type of storm troops and there may be as many as 50,000 of them. That is, they control the mob completely in Baghdad, and this whole picture is quite a typical picture of Communist takeover as we have seen it in certain other countries.

The chief of the Air Force, the Army Deputy Chief of Staff for Operations, and the Deputy Chief of Staff for Planning are believed to be Communists. Reports we receive indicate a pervading general atmosphere of terror typical of a descending Iron Curtain.

All Westerners are subject to new security restrictions and the Iraqis are afraid to talk with Americans privately or for any length of time lest they be charged with plotting. The Communist-organized mass demonstrations are staged almost weekly to keep the remaining anti-Communist element aware of the Communist's "power of the street."

More and more Western business interests are being squeezed out and pro-Communist Economic Minister [Ibrahim] Kubba is proceeding with his efforts to establish a Soviet model planning apparatus.

ATTITUDES OF IRAQ'S NEIGHBORS

Until recently the neighbors of Iraq, with the exception of the UAR, have been somewhat complacent about this situation. There have been very great changes recently. The Turks have changed their attitude considerably. Iran has always been fearful of this and is even more fearful now.

Saudi Arabia has indicated to us that they are extremely disturbed, so at the present time most of the neighboring states are pretty well alerted to this danger. When King Hussein of Jordan was here, he did not seem very much disturbed by it. He has somewhat changed his attitude also. The British have not been as disturbed as we by the developments there.

They still think there is some hope that Kassem can be saved. We believe that as long as there is any hope it is worth not neglecting that line of procedure. We don't see very much hope that Kassem can be saved, and we think that if he has indicated any signs of shifting, the Soviets would probably be in a position, together with the local Communists, to see that he is liquidated.

BRITISH ARMS TO IRAQ

[Deleted.]

Senator MORSE. [Deleted.]

Mr. DULLES. [Deleted.]

Senator MORSE. What scares me is [deleted] the danger that Kassem would be liquidated if he seemed to move in the direction of the West, we would then be confronted with the Communists having this additional military supply.

Mr. DULLES. Most of the arms that have been supplied to Iraq in the past have been the British arms, because of the traditional relations with Iraq.

I think we have some arms in there, though very few. And I think that the British felt that if the Iraqis reached the conclusion that there was to be no possibility of replacement from the British angle, then they would feel they could justify to the world their turning entirely to the Soviets so far as arms are concerned.

The real problem in Iraq is not so much arms as people to use them. They have not shown themselves to be very effective in using the arms that have been given them, and they have already received, as I indicated, nine shiploads of arms from the Soviets.

CONSULTATIONS WITH U.S. ALLIES

Senator GREEN. Have any of these nations asked us what our policy is to be?

Mr. DULLES. There have been long consultations, Senator Green, [deleted].

I think they have changed a great deal in their attitude. There have been discussions with the Iranians who are extremely disturbed about that whole situation.

THE KURDISH SITUATION

They are particularly disturbed about the Kurdish angle to it. If you look at that map, you will see that the Kurdish areas afford the Russians a sort of ready-made corridor down to Iraq. If you take the nearest part of the red to the nearest part of the purple there, you see how short a line it is.

And that area between the red and the purple there is where the Kurdish tribes are particularly strong.

Senator **Sparkman**. That is Iran?

Mr. **Dulles**. That is in Iran. They are also in Turkey, in Russian Armenia and in the north of Iraq. So you have four divisions of the Kurdish tribes. And as you see, the idea of a Kurdistan would form a bridge down to Iraq. And if you look at the map there, you see that is the sort of wedge that the Russians, I believe, are trying to drive down into the Middle East into the heart of the oil-rich lands through Kurdistan, Iraq, down to Kuwait, Saudi Arabia and that whole area. I think it is a very dangerous move, and that it is probably the most dangerous area facing us today.

NO DECISION HAS BEEN REACHED

Senator **Green**. Since there have been these discussions what has our policy been stated to be?

Mr. **Dulles**. We have been trying to help to get together some common position.

Senator **Green**. We haven't taken any stand yet, then.

Mr. **Dulles**. The others have not taken a stand. Saudi Arabia has taken a pretty strong stand. Turkey is now coming forward and is apparently much more ready than they were.

But this is a matter for the State Department, not for me. My job is to analyze the situation, but the question is what you can do in this situation without actively moving in.

Senator **Green**. I was trying to ask whether they had made up their minds what can be done.

Mr. **Dulles**. No, there is no consensus of views as to what action can be taken.

Senator **Green**. But I mean in our Government, the United States. Have we taken any position or stated any position?

Mr. **Dulles**. No, no position has been taken.

Senator **Green**. That is what I want.

Mr. **Dulles**. The matter has been under continuous consideration.

Senator **Green**. But no decision reached as to where it stands today?

Mr. **Dulles**. But no decision has been reached so far as I know. That is a matter for the State Department, not for me. I have been analyzing the situation for them.

Senator **Green**. You would be informed if the State Department had taken a position.

Mr. **Dulles**. I would know it, yes, sir.

USE OF THE EISENHOWER DOCTRINE

Senator **Mansfield**. Do you know if under the Eisenhower doctrine we had dispatched any arms to Iraq before the revolt of last July? The reason I ask the question is this: In the executive sessions covering the hearings on that doctrine—since this is executive session I think we ought to bring it out—Admiral Radford made the statement that one of the things we wanted to do with these additional funds was to set up a certain specific type of antiaircraft or Nike installations—I am a little doubtful about that—in Northern Iraq.

It has been my understanding that even though the British have been the primary supplier of arms to that country, we likewise have shipped in considerable quantities, and if my memory is correct, at the time of the revolt it was brought out in the public prints that at Habbaniya Air Field, occupied by the British, there were a certain number of Americans there at that time. Can you tie all that in?

Mr. **Dulles**. I can't tie it in in any detail. It is a little out of my field. I believe what you say about the Habbaniya Air Field is correct. There had been some training of Iraqi airmen over here, and I believe that there were certain plans for sending aircraft to Iraq. I don't believe they ever got there.

Mr. **Amory**. [Deleted.]

Mr. **Dulles**. [Deleted.]

Senator **Mansfield**. Some sort of special situation was all in Iraq. It was in executive session.

Mr. **Dulles**. It was executive session. I would like to check that possibly with the Secretary and see what has been done. Our contribution in arms to Iraq was small, and I can make the figures available to you. It was quite small.

Senator **Mansfield**. I am not interested in figures. I am just interested in what went on, generally speaking.

Senator **Kennedy**. Mr. Chairman, may I ask one question?

The **Chairman**. Yes, certainly.

LESSONS TO BE LEARNED

Senator **Kennedy**. Mr. Dulles, what is your view as to how the Communists were able to build an apparatus effective enough to drive a country which had been extremely pro-Nasser into a complete opposite direction in a comparatively short period of time, in view of the fact that Nuri Said in a period of 25 years had been very pro-Western? Is there any lesson to be drawn from that about dictatorship, or is it a particular situation that happened there, or does it mean that in these dictatorships the opposition is driven underground and the Communists are in the best position to seize control of it?

Mr. **Dulles**. I think your latter premise is the one.

Senator **Kennedy**. There are two questions.

Mr. **Dulles**. The Communists were underground, and they had a good underground apparatus that lasted on during the Nuri Said regime. When there is an overturn there always is a swing of the pendulum, and it did swing. It swung rather far. Neither Kassem nor those directly around him with the exception of Arif at that time wanted to be taken over by Nasser, and the unfortunate situation was that they had to choose in a way between leaning on Nasser and leaning on the Soviets; and they decided, I believe, as a temporary expedient to lean on the Soviets to protect themselves against being taken over by Nasser. That gave the Communists their chance to move in.

You see, Arif, who is planning to take Iraq closer to Egypt, was sent off to Bonn; then when he came back he was arrested and that, for the moment at least, broke the pro-Nasser elements in the Iraqi Government and the others were put in jail.

There was a growing dependence on the Soviets to protect against Nasser, and then Nasser tried a couple of abortive coups, which I believe the Soviets uncovered. We knew about them and I think the Soviets knew about them. Undoubtedly they told Kassem all about them, because they were put down very effectively. It was obvious that the government of Kassem was ready to meet these Nasser attacks before they got half going.

CHOICE OF NASSER OR THE SOVIETS

Senator KENNEDY. What was the position that the United States took during this period? Did it swing to a pro-Nasser one or were we always really without a position when the choice became Nasser or the Soviets?

Mr. DULLES. [Deleted.]

There were quite a number of people who seemed to be perfectly willing to work with the West, and took a rather friendly view. Since then most of those men have been liquidated. We have been alerted to the situation since last January, [deleted].

But it is a situation that I think requires action. It has been up before the National Security Council several times. It has been discussed in interdepartmental groups with the State Department, Defense and us and USIA, and the planning is going on.

I think in all branches of our Government those who have responsibility are alerted to the extreme peril of this Iraqi situation.

I don't say that we have at the moment a final answer as to what is the next thing to do. And there have been discussions also with Nasser, and relations with Nasser are somewhat closer. But we know perfectly well that while Nasser is taking this attitude toward Iraq and with regard to communism, he is still in negotiation in Moscow for more arms from the Soviet Union, and on a series of other matters. So we don't feel one can be absolutely confident that Nasser's break is complete.

And the letter which Khrushchev sent to Nasser, which we have been given a complete summary of, indicates that Khrushchev is still playing—I have it here in my papers—an extremely astute game. He has even apologized to Nasser for certain remarks that he made when he attacked him.

BRITISH SUSPICION OF NASSER

The CHAIRMAN. Mr. Dulles, isn't it true the British were very loath to do anything to help Nasser and they really stood aside because they were afraid that Nasser might take Kuwait if he got control of Iraq?

Mr. DULLES. That's right. The British are very suspicious of Nasser. They dislike him. They are worried about what his ambitions are. We are, too, because while Nasser is playing one game with regard to Iraq, in other parts of North Africa he has been plotting against Western interests.

Recently he has quieted down a bit on that.

The CHAIRMAN. You have to choose. Isn't it much safer to play with Nasser than it is to let Iraq go Communist?

Mr. DULLES. If you must choose, isn't it much safer to try to play with Nasser, even endanger the oil, than it is to let Communist Russia come in?

Yes, I agree. Certainly Nasser is the lesser of the two dangers.

The CHAIRMAN. He is much less dangerous, isn't he?

KHRUSHCHEV LETTER TO NASSER

Mr. DULLES. I agree. That is recognized and there have been a series of talks with Nasser. I have here the points covered in the Khrushchev letter. It was obtained through secret channels. This is the letter that he wrote, delivered to Nasser on April 20. Among specific points in the letter were the following:

> Since the time several years ago the closer relations between the UAR and the U.S.S.R. were established, it has been recognized by both sides that a fundamental difference in ideology existed. Both countries have always agreed, however, to avoid quarrels over ideology and to cooperate on matters of mutual interest such as development programs and thwarting imperialistic conspiracies.

That is us.

> The U.S.S.R. has always maintained it has nothing to do with the activities of local communist parties and continues to assert that this is the case.

That we also know is a lie, but they say that all the time.

> The U.S.S.R. reacted somewhat negatively to the merger of Syria with Egypt

—that is quite correct—

> because the move came as a surprise and because the U.S.S.R. did not think it was in the best interest of Egypt. As Abdul Nasser was told in Moscow in 1958, the experience of the U.S.S.R. showed that unification of separate republics into one state is a slow process which requires passing through several historical stages
>
> The U.S.S.R.'s criticism of the UAR merger was made only in an effort to spare the UAR mistakes and misunderstanding and the U.S.S.R. was thinking only of the best interests of the UAR and is just disappointed that the UAR did not profit by its advice.

This is Khrushchev to Nasser.

> What the U.S.S.R. is doing in Iraq today is no more than the UAR asked it to do for Iraq when Abdul Nasser was in Moscow in July 1958.

Undoubtedly he did ask Russia to send arms at that time.

Senator SPARKMAN. You say this letter was dated April 20?

Mr. DULLES. Yes, just the other day. This is the letter that was delivered. Now this comes from a highly competent source. This is not textual but is from the man who read the letter and then gave us an account of it.

> Khrushchev and the people of the U.S.S.R. are astonished and disappointed by the fierce and slanderous attacks which the Cairo press and particularly the Akbah Alium have been making. These attacks have undermined the good relations built up between the U.S.S.R. and the UAR patiently over the past years as a result of sincere and unselfish efforts on the part of the Soviet Union.
>
> This damage is something which all the conspiracies of the Imperialists have failed to achieve.
>
> Khrushchev apologized for his remarks about imperialists in his speech in mid-March and said he had not meant to imply that Nasser is an imperialist as he knows him to be a true Nationalist.
>
> However, Khrushchev recognizes Nasser as the only leader in the Arab world and is willing to help him become strong. The intentions of the Soviet Union are quite different from those of the United States of America, which was revealed by their difference in their policies toward the UAR Aswan Dam Project, despite its humiliation by some of Abdul—

The Soviets' humiliation—

> by some of Nasser's remarks about the Soviet Union, particularly as to Communist destruction of the hopes of the October revolution, the U.S.S.R. did not

withdraw its offer to aid in construction of the high dam, but reaffirmed its intention to proceed to implement its pledge. As to the intention of the Western Nations, Khrushchev feels that Abdul Nasser is mistaken in hopes for assistance from the U.S.A. as pressures from Zionism and cartels is determining American policy. As for the British, Khrushchev says they have the complex of a defeated nation, are seeking revenge and hope to isolate the UAR from the socialist camp and then destroy it.

The letter concluded by proposing that the UAR president halt his anti-Communist campaign. Khrushchev added a personal appeal by admitting that Abdul Nasser's attacks have hurt his position and exposed him to criticism from the Politburo and from Jewish circles because the Soviet policy toward the UAR is regarded as Khrushchev's own.

Senator HUMPHREY. A clever letter.

Mr. DULLES. That is the text of the letter. It is a rather clever letter.

FATE OF ARIF AND JAMALI

Senator SPARKMAN. Mr. Chairman, I am going to have to go in just a few minutes. Let me ask you two very brief questions. Has Arif been executed?

Mr. DULLES. No, sir, we believe not.

Senator SPARKMAN. He was sentenced to death, wasn't he?

Mr. DULLES. He was sentenced to death but the sentence has not been carried out. The same is true of Jamali and most of the others.

Senator SPARKMAN. I was going to ask you about Jamali.[4]

Mr. DULLES. He is still in prison so far as we know. We don't know of any important executions recently in Iraq. He is still in jail.

Senator SPARKMAN. What would be your appraisal as to their delay on those executions?

Has Jamali been under sentence of death for a year? Or several months, anyhow?

Mr. DULLES. More than 6 months.

Senator SPARKMAN. Yes.

Mr. DULLES. Since about September. He was convicted in August or September. It is one of the straws in the wind that might mean that Kassem personally has not gone beyond the point of no return.

We don't think he can successfully get back. But he has not wanted to give the order for these executions because I think he feels that if he does, that would be evidence that he is wholly and completely taken over by the Communists, and he knows that Jamali has a great many friends in the West who are pro-Arab. There is nobody that was a stauncher pan-Arab than Jamali. In any event, so far as we know they have not been executed. There have been no major executions recently.

AMERICAN AID TO IRAQ

The CHAIRMAN. Mr. Dulles, do you know are we continuing to carry out our mutual assistance program there?

I notice in 1958 we had about $12–14 million there.

Mr. DULLES. Most of our people have had to leave.

The CHAIRMAN. They have had to leave?

Mr. DULLES. Yes. I think certain things are still going on. Those that can go on are going on. There are no new programs being organized.

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[4] Former Iraqi Minister of Foreign Affairs Fadhilal-Jamali.

The CHAIRMAN. [Deleted.]

U.S. SUPPORT OF ISRAEL

Senator HICKENLOOPER. Do we have a handicap in that area, the fact that we recognize and support Israel which is anathema to that area, whereas the Russian propaganda is against Israel, saying "We will help you throw Israel into the sea," and that sort of thing? We can't honestly follow that kind of propaganda operation. Also I take it that the United States does not go into a country like that and say "Turn it over to our people and you will all wear the jewels and the people that have it now won't have it and you will have it."

In other words, it is a looting theory, to loot either the government or those who have something. Isn't there a lot of that in the Communist propaganda?

Mr. DULLES. That is perfectly true, Senator Hickenlooper. The Israeli problem is always there in our relations with the Arab states. We just have to recognize that. It is a handicap. And further, as you indicate, the Russians are basically in there beginning to destroy, to tear down what we are trying to build up, and it is easier to destroy. If they through their mob can create chaos in Iraq, that is going to help them to take over.

We are not without assets. The Communists have never in the past succeeded in taking over a country that was not contiguous to them.

They came fairly close to it in Guatemala. Iraq is close to the Soviet Union but still it is surrounded by states, all of whom are strongly anti-Communist, and that is our greatest asset in the area. There has been a great deal of divergence in the thinking among these states, but I think it is likely that we can get most of them around to a common policy, sir.

[Discussion off the record.]

TRY TO KEEP IRAQ INDEPENDENT

Senator LONG. Mr. Chairman, isn't it likely that Nasser is just the kind of fellow who likes to deal in the kind of hypocrisy that Khrushchev is dealing in there in writing that Nasser letter? As I understand it, Nasser does about the same type of thing Khrushchev does. He says one thing and really has something else in mind. It appears to me that to play that kind of game with Nasser is just the kind of thing that Nasser would kind of like.

Mr. DULLES. One has to choose somewhere along the line.

The CHAIRMAN. It isn't a matter of whether either one of them are nice friendly fellows. You have to make a choice. It's much safer for us to have a weaker country like Egypt in control of Iraq and the oil than it is to have Russia in control. It seems to me to come down to an obvious choice, and you had better take Nasser.

Senator HUMPHREY. Why do you have to take him? Why don't you use him?

The CHAIRMAN. That is what he is talking about. It would be disastrous if Russia controlled all that Middle East. We might not like it but it would not necessarily be disastrous if Nasser did, or if we could keep it independent. The policy as I understand it is not to go with

Nasser but to try to keep them independent. But that is failing. They are falling under the Russians; that is the sad part.

Mr. DULLES. Mr. Chairman, the Turkish argument and somewhat the Israeli argument and somewhat the British argument is that if we work with Nasser, we are merely getting the Soviets by the back door, but through a stronger asset than if we just let him manipulate Kassem. They are negotiating in Moscow today on arms, on the high dam and other things. There is not a complete break between Egypt and the Soviet Union, and that is why the situation is so difficult and so delicate.

MOSLEM MINORITY IN THE SOVIET UNION

Senator HUMPHREY. What are you doing about the Russian oppression of the Moslem minority in the Soviet Union? There is a good deal of evidence over a long period of time, as you know better than any of us, as to what the Soviets have done to the Moslem population in the southern part of the Soviet Union. Are we using this effectively, propagandawise? Are we able to find any refugees from these Moslem minorities who are of any help to us?

Mr. DULLES. [Deleted.]

Senator HUMPHREY. We have several problems it seems to me. I think the choice that Senator Fulbright was asking us to make is surely something that will have to be done.

But isn't there something else more fundamental? For example, the Turks would say that it is better to let Kassem be manipulated than it is to become wedded to Nasser, and that Nasser ultimately has Arabic Nationalism on his side. He has leanings toward the Soviet Union or can perhaps unwittingly be used by the Soviets. Therefore he is more dangerous, because he has more indigenous hold on the people of the area.

Nasser is more popular in the area as a person than Kassem, isn't he?

Mr. DULLES. Oh, yes, Kassem has no following outside his own territory.

OIL AND ECONOMIC RELATIONSHIPS

Senator HUMPHREY. Now what about the basic economic relationships that are going on in this area? I notice, for example, this Cairo Conference on Oil. It is true the Soviet Union doesn't really need any more oil. They are exporting oil. The only thing they could use it for is to disrupt the Western European economy.

Mr. DULLES. That is correct.

Senator HUMPHREY. To pinch it off, to choke it off.

Mr. DULLES. That is correct.

Senator HUMPHREY. Doesn't this get down to where our oil companies—again this gets to national policy. My feeling about this is quite open and frank. While I want the American, British, French, and Dutch oil companies to have their opportunities to develop this area, I don't want them to pursue policies which are going to precipitate a crisis that our Government has to bail out of at the expense of manpower and national prestige, and sometimes in humiliation. I wonder what we are doing to tell these oil companies that they ought to give as good a deal in the Middle East as in Venezuela. We had an arrangement in Venezuela some time ago with the American oil companies developing in Venezuela of what is it, a 40-60 or 60-40?

Mr. **Dulles**. It is a highly complicated situation that is based on the question of taxation. The two situations are not quite comparable. But they are getting more than a 50–50 cut in Venezuela now through the method of taxation.

Senator **Humphrey**. Yes, and then the Italians and the Japanese went into some kind of an arrangement. I have a very foggy memory about this, but 75–25, and we are still trying to hang onto 50–50.

Mr. **Dulles**. The 75–25 though, Senator Humphrey, was on the basis that each side put up the initial capital.

Senator **Humphrey**. Yes.

Mr. **Dulles**. So it is hard to tell how that compares with the 50–50. The 50–50 was the basis on which the American companies took all the risk, put all the capital in, and then when the oil came out, they divided 50–50. The Iranian deal that Mattei put through, the Italian deal, was on a basis whereby the Iranian Government put up money and the Italians would put up money, and then it would be 75–25, so it is not quite comparable.[6] Each one of these things is different.

POLITICAL AND ECONOMIC POLICIES

Senator **Humphrey**. I am not trying to draw any value judgment except this: It appears to me that as you said earlier, our total national policy in the area must be first established vis-a-vis the economic policy that we are going to pursue in the area.

Mr. **Dulles**. Right.

Senator **Humphrey**. The political policy that we wish to pursue. And then and only then can any other activities be worth anything. Otherwise you have to be working against your next decision.

You said a while ago that we are builder-uppers, that it is more difficult for us. We try to build up a country. The Communists try to destroy it. Well, if Iraq is being taken over by the Communists, then we are not building it up. We ought to be trying to destroy what they have there.

In other words, who are our liquidators? This is what it gets right down to. You know this is like running a police department against the hoodlums. I mean whom do you have? Do we have people that shake them up, or are we just going to talk economic and political doctrine? Because in answer to Senator Fulbright's question, if the Prime Minister of Iraq is afraid of assassination or if we have some reason to believe that this conditions his thinking, then there is only one way that you handle that, and that is for some other people to be a little afraid of it, just like when those Norwegians announced that every Communist Party member in Norway had two people assigned to him; on the day the Russians struck, two Norwegians were to kill one Communist, so if the first one missed the second one would get him. That had a tendency to deplete the ranks of the Communist Party. A few people lost their religion right off the bat.

Mr. **Dulles**. Kassem has not said to us that he is afraid of assassination. I have the hypothesis that if he tired to break with the Communists he would be in danger of assassination.

Senator **Humphrey**. Possibly he doesn't feel he has protection on the other side to give him that extra security.

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[6] Enrico Mattei, President of The Italian National Hydrocarbons Authority, signed a 75–25 percent profit agreement for Iranian oil in 1957.

Mr. **Dulles**. I think he feels he has no one to protect him at the moment but the Communists.

Senator **Humphrey**. You said the Communists control the mob completely and the mob has come to be almost the dominant political factors, too, in those countries.

Mr. **Dulles**. They did it to Nuri, the Crown Prince and King.

The **Chairman**. Yes. This is a terrible situation that frustrates a very intelligent political policy unless you can find ways to offset it.

NO POTENTIAL COUNTER-COMMUNIST MOVE

Senator **Humphrey**. Do you really think Kassem is gone, Mr. Dulles?

Mr. **Dulles**. I would not say that it is sure that he as an individual is gone. Insofar as his position is concerned, I don't see how he is going to be able to assert himself in an anti-Communist way without going.

Senator **Humphrey**. Is he in charge of the army?

Mr. **Dulles**. I gave you some statistics and some facts here.

The **Chairman**. Before you came in he gave a good description on this.

Mr. **Dulles**. We believe that the major figures in the army are pro-Communist. We do know that Kassem, whether under his own will or under pressure from the Communists, has removed those divisional leaders to whom we might have looked for military action, so now we and our military people whom I have consulted very closely don't see in important military positions any one or more individuals who we feel might lead a counter-Communist move.

Senator **Hickenlooper**. Are we talking about Hussein or Kassem?

Mr. **Dulles**. Kassem. There is one point Mr. Amory would like to add to this.

Mr. **Amory**. [Deleted.]

Mr. **Dulles**. [Deleted.]

SITUATION IN IRAN

Senator **Humphrey**. Does this reflect into Iran?

Mr. **Dulles**. No, not yet, but they are very worried about it. So far as we know, the Shah controls the army in Iran. The army is loyal. There have been some anti-Shah plots. They have not got anywhere, but the relations between the U.S.S.R. and Iran are extremely strained because of the Shah's refusal to go along with that agreement and his signing of the bilateral arrangements with the United States.

The **Chairman**. Gentlemen, I have another matter I want to make a record on.

If anyone has a real urge, he can ask a question.

Senator **Hickenlooper**. May I ask just one question which is possibly outside the field of this examination?

The **Chairman**. Yes.

PANAMANIAN REVOLT

Senator **Hickenlooper**. If you can answer the question, why is it that Panama has to have a convening of the American Republics Organization to put down a revolt which the papers say is composed of 89 rebels?

Mr. **Dulles.** Including a boy and a woman?

Senator **Hickenlooper.** That's right.

The **Chairman.** A good dancer.

Senator **Hickenlooper.** It sounds rather silly to me. Here is the country of Panama wanting aid from outside to put down a revolt that they say is only composed of 89 people.

Mr. **Dulles.** Panama has a very small military force of about 3,000. It doesn't really dare, I think, under present conditions to move that Army out in the jungle to meet those people because you know there have been student riots and troubles in Panama, and there are others in Panama that might attack. I understand today it has no air force at all, so it can't do any reconnaissance as to who these people are.

I think it is really to try to call attention to the generalization and probably to bring more pressure to bear on Castro to stop these movements from Cuba and to try to get a little pressure from the other American states so that Cuba will not become the center from which expeditions can go out.

Castro has recently taken action against certain groups there that were planning invasions of Haiti, Santo Domingo and Cuba. But apparently, of these people in this great expeditionary force of 80-odd men, many of them are Cubans. And the land, as you know, both north and south, is just terrific jungle. They can land anywhere on that coast and then hope to make their way up the coast.

I doubt that they get there. It may be that some consideration—it is out of my field—should be given to seeing that the Panamanian Government has a few simple aircraft or helicopters so they can find out what is going on in their own country.

The **Chairman.** Are there any other questions?

Thank you very much, Mr. Dulles. It has been extremely interesting, and I hope we will have another session soon. If there is anything we can do, although you are not directly within our jurisdiction, I certainly would be willing to do it.

Mr. **Dulles.** I appreciate that.

[Whereupon, at 11:55 a.m. the hearing was concluded, and the committee moved to other business.

Seton Thompson, of the Department of the Interior, and Fred Taylor, of the Department of State, appeared to brief the committee on the Convention with Cuba for the Conservation of Shrimp (Executive B, 86th Congress, 1st Session).

Following their presentations, and on motion of Senator Long (subject to reconsideration by any member at the next meeting), the committee voted to report and recommend the ratification of the Convention.

There being no further business, the committee adjourned at 12:10 p.m.]

PARIS FOREIGN MINISTERS MEETING

TUESDAY, MAY 5, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, at 10:35 a.m. in room F-53 United States Capitol, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Humphrey, Mansfield, Morse, Long, Lausche, Church, Langer, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. St. Claire of the committee staff.

The Chairman. The committee will come to order.

Mr. Secretary, we are delighted to receive you after your first successful trip—at least it appeared to be successful from the press—and we will be very interested in anything you can tell us about what you have done and what you have discussed and what the prospects are.

Will you proceed in your own way?

STATEMENT OF HON. CHRISTIAN A. HERTER, SECRETARY OF STATE

Secretary Herter. Mr. Chairman, if I may, I would like to first of all give you a little of the background of the Paris meeting of the foreign ministers about which I had considerable anxiety when I left here.

Senator Langer. Mr. Chairman, wouldn't we talk more freely if we did not have it on the record?

The Chairman. It is usually understood that this is executive and will not be published, but anything you think is especially sensitive, just ask that it go off the record.

Secretary Herter. May I do that? Because I may come to one or two points.

The Chairman. That is the custom, but it is very useful to have the general report for the files of the committee. It won't be made public in any case, but wherever there is something personal or something that you think is sensitive, just ask the reporter to take it off the record.

Secretary Herter. I appreciate it very much. Then perhaps the opening remarks that I may make could be kept off the record.

[Discussion off the record.]

SMALL PRIVATE MEETINGS

Secretary Herter. These were the agreements with regard to the tactics:

> (a) That the Western Powers would endeavor to direct the Geneva discussions toward holding small private meetings as well as plenary sessions insofar as practical along the lines suggested in paragraph 9 of the tactic section of the report.

Some of the foreign ministers who were there had attended previous sessions and found them really propaganda exercises in which things were so formalized that each person at the table spoke in turn. They could not speak out of turn. They could not debate. They could not question. Everything was a formal set speech, and every formal set speech was then given out to the press shortly afterward, so it was a propaganda exercise, not a real negotiation. And we had taken the position that we genuinely wanted to enter into negotiation.

The CHAIRMAN. This would be a private meeting of the small group.

Secretary HERTER. A small group. I don't know the Geneva setup but I am told the Palace Room is huge and that sitting behind every delegation are 30, 40 or 50 people breathing down their necks, and everything that is said becomes public in no time at all. It is not a good place to talk seriously about proposals.

PHASED PLAN

(b) That the Western Powers would not give prior publicity to the phased plan unless press leaks or other developments made review of this policy desirable.

[Discussion off the record.]

Secretary HERTER.

(c) That, however, a summary of the phased plan should be published when the person proposes—

The CHAIRMAN. What kind of a plan do you call that?

Secretary HERTER. This is a summary of the phased plan. I am going backwards. When I come to the plan I will indicate that this is the phased plan in stages that we have agreed upon.

That the phased plan should be tabled in its entirety as soon as substantive discussions begin at the conference. That the phased plan should be explored first with the Soviets prior to any determination as to a separate discussion of Berlin. That the Western Powers should not fear a discussion of principles of a peace settlement, should not be tactically desirable or necessary at the conference, but utilize such discussion as an occasion to advance our own views on the subject and to demonstrate the unreasonableness of the Soviet proposals in this field.

(g) That the proposals and procedures discussed in the working group report relative to Polish-Czech participation and German participation be observed by the Western Powers.

THE TWO GERMANIES

We may have a procedural discussion with regard to the Germans, the two Germanies. In our note and those of the British and the French to the Russians, we used the same language consistently, and that is that the two Germanies would be invited and consulted.

The Russians in their reply say we have reached agreement on the representation of the two Germanies. And whether or not we are going to have a procedural discussion over that, I don't know. West Germany does not want to sit at the conference table with East Germany. They are perfectly willing to sit behind and be available for consultation if anybody wants to ask their opinion or for a statement on any point and are willing to have the East Germans do the same, but they do not want to sit at the table and we may have a procedural difficulty on that score right at the beginning.

I point this out only because there is sensitivity in regard to the details of the plan itself. We all agreed that until the plan was laid before the Russians, we would not make the detail of the plan public.

But I think I can go into enough of the substance of it without the specific detail, which is fairly long in spots, to give you very much the gist of what we are proposing.

REPORT TO NATO

With your permission—and this also can go on the record—I thought I might read you the report that we made to NATO in Paris when we got through.

That gives the general outlines of what we have in mind and then I can go back and go into greater detail.

The discussions of the foreign ministers at their meeting on April 29th and 30th were based on a number of reports from the working group of which the main elements were explained in a statement made to the council on April 27th. The ministers also took into account the views expressed by other members of the NATO alliance on this statement.

There I should explain that the members of NATO have a very special interest and a special responsibility in this situation for the reason that NATO as an alliance made a declaration some years ago to the effect that any attack on the occupying troops of Berlin would be considered an attack on all of NATO.

In other words, they have guaranteed as an alliance the status of Berlin with respect to the occupying troops, and naturally feel that since there is considerable risk involved for them in this guarantee, they should be kept fully informed as to the progress of negotiation.

The ministers reviewed the phased plan for German reunification, European security and disarmament, which was summarized in this previous statement. Subject to a few changes they accepted this plan as a comprehensive offer to be made to the Soviet Government at the outset of the Geneva Conference or as soon thereafter as questions of procedure have been disposed of.

The ministers made two sorts of changes in the plan. First, they shortened and simplified it without, however, altering any of its essential features. Secondly, they decided that a proposal about Berlin ought to be inserted in Stage 1.

Those are the initial stages of this phased plan.

This proposal provided that Berlin should be re-united through free elections held under United Nations or Quadrupartite supervision, the freedom and integrity of the United City and access thereto to be guaranteed by the four powers, who would continue to be entitled as at present to station troops in it. The ministers considered that this was a logical form in which to introduce the problem of Berlin into a plan intended in its final stages to lead to the reunification of Germany. The ministers recognized, however, that it would be necessary to hold other proposals about Berlin in reserve for use either in the context of the phased plan or independently thereof. The essence of these proposals was alluded to in the statement made to the Council on April 27th.

The ministers agreed that there was no purpose in their trying to decide in advance of the conference which if any of such proposals it would be in the interests of the West for them to put forward, and at what points in the negotiations they should aim at doing so.

They agreed that decisions of this kind as indeed all other decisions of a tactical nature could only be taken in the course of the conference itself. They would have to depend to a large extent on the lines which the Soviet representatives might take. For example, the ministers thought that there was no need to be afraid of discussing the principles of a peace settlement, but that the decision as to whether or not to do so and if so when was a matter of tactics.

They thought that a discussion of these principles might serve as an occasion on which to advance Western ideas and to show up the unreasonableness of the Soviet government's peace treaty proposals. The Ministers decided that no information whatever about the Western position should be made known in public in advance of the conference.

They thought that they would have to decide as the conference went along and again in accordance with the behavior of the Soviet delegation how much information about the proceedings ought to be imparted to the press.

They thought it probable that when the phased plan was tabled at the conference, a summary of it should be made public. On the other hand the ministers have every intention as indicated in their communique of keeping the NATO Council very fully informed and of consulting them.

REUNIFICATION OF GERMANY

That was as much as went to the NATO Powers. The previous memorandum that had gone to them was in very general terms. It did not specify the exact nature of the type of proposal. Perhaps you will allow me to say a word, before going into these proposals, on the question of the reunification of Germany, which is a highly controversial matter. The United States has consistently taken the position that the peace of Europe is going to be endangered and that tensions are going to continue in Central Europe until that matter is settled once and for all.

No matter what interim settlements one might make, as long as you give the opportunity to some new German to raise the flag and patriotically say "We have to regain our brethren into our fold," you are going to have the threat of serious disturbances in Central Europe, and it will be a continuing propaganda operation.

As you know, we have also felt that the only way of assuring or securing the unification was through free elections. The Russians have taken the position that that is a matter that could only be decided by discussions between the East and the West Germans, and at the recent meeting of the foreign ministers of the Warsaw Pact countries they made a declaration that there were only two questions that were really ripe for decisions and that those are the ones that the Conference ought to center on. One is Berlin and the second is the peace treaty, and presumably by peace treaty they mean the very peace treaty that the Russians have published, which is a foul document from the point of view of what it brings in with, curiously enough, some very interesting provisions in regard to human rights that actually exist in the East German Constitution but are a completely dead letter. But from the point of view of reading matter it would indicate a great degree of liberality including exercise of the right of free voting.

In 1955 we offered a package in the discussions that came after the Geneva Conference, the summit meeting, when the foreign ministers were instructed to work out a plan for the reunification of Germany and European security. Those were the instructions they received from their prime ministers and their heads of state. The minute they began working on those they found the Russians had no intention of discussing reunification at all and were insisting on certain security proposals that were completely unacceptable. It led to the great disillusionment that came after that summit conference.

The British, French and Germans all have some reservations as to the practicality of getting reunification. But to me the most interesting thing in our talks in Paris was that all of them had come to a perfectly sincere conclusion that whatever we do, we have to keep the reunification of Germany in mind as an objective even though that objective has to be put some distance ahead. And whatever may be done from the point of view of Berlin or security settlements in Europe, we have to keep that objective in mind, and it appeared, at least to me, to be quite a change of position from the skepticism that I had heard expressed earlier when the foreign ministers were here, and to me a very gratifying one because I think that we are doing nothing but patchwork at best, if we don't at least shoot for this as an objective, skeptical through we may be as to whether or not it will be accepted.

TERRITORIAL INTEGRITY OF POLAND

Senator **Aiken**. In aiming at the reunification of Germany, is thought being given to the territorial integrity of Poland?

Secretary **Herter**. Yes. That was brought in in connection with the terms of the peace treaty. We have a rather embarrassing situation there in that de Gaulle had already announced that Germany would renounce her rights beyond the Oder-Neisse Line.

The Germans have never said so but if they could get an adequate concession for that they would, but they don't want to give it away without using it for trading material. They have never said so publicly, and I think they are quite embarrassed by General de Gaulle's statement putting it on the line.

Senator **Aiken**. They wouldn't be adamant then?

Secretary **Herter**. If they were really getting a settlement, I think they would be perfectly willing to give up the territory beyond the Oder-Neisse Line.

RECOGNITION OF EAST GERMANY

The phased plan has four parts, of which the first is largely a declaration with one exception, and that is the setting up of a quadrupartite commission to supervise the implementation of the agreements that are essential parts of phases 2 and 3.

The fourth part of it has to do with the peace treaty itself, and we may not have very much discussion over it from the substantive point of view because it assumes that there will be one Germany with which a peace treaty is made.

I think the Russians' objective at these conferences is to try to force us into a recognition of East Germany and the signing of a separate peace treaty with East Germany, but we are all adamantly against that. There are degrees of feeling as to the extent to which on a de facto but not a de jure basis one can work with the East Germans, but there is an absolutely solid position against the recognition of what is clearly a puppet state that has never had a chance to express itself from the point of view of elections of officials or even ratification of officials of any kind.

There are four matters that come into these phases. One is the reunification, the establishment—and here if I don't go into the detail of this perhaps you will excuse me because it is the kind of detail which if it should happen to get out from here would be identified right away as having been attributed to me and might put me in a very embarrassing position with my colleagues.

AN ALL GERMAN COMMITTEE

But the reunification would be provided for through the establishment of an all-German committee, so many appointed by the Government of West Germany, so many appointed by the Government of East Germany.

They would not have executive responsibility. They would have two responsibilities. One would be to facilitate the movement of goods and exchange of peoples and so on between the two parts of Germany. The second would be to provide for an election law by which an all-German assembly could be elected, which would be the first stage in the reunification. They would be given a period of time in which to try to reach agreement on what would be placed before the peoples of the two Germanies. The difficulty of proportions on a population basis between East Germany and West Germany were worked out with a suggestion as to the composition of this board, but it was agreed that it would require a three-fourths vote for agreement within the commission itself.

But there is this provision: If after X period of time they do not reach agreement on an electoral law, the method of electing the all-German Assembly, each side would present alternates. Those two alternates would be voted on in both of the two Germanies. If either of the alternates received a majority vote in both of the two, that would become fixed and it would set the pattern for the all-German assembly.

This goes through certain phasing, but after that then there would be the election of the assembly which in turn would prepare a constitution for the unified Germany.

SECURITY PROVISIONS

The second, and in a way much more complicated, part of the phased plan has to do with the security provisions, which contain nothing that is very new. They do provide for the establishment in phases of two zones. One is what you might call a surprise attack zone in which there would be aerial inspection. And that would not necessarily be confined to Europe. That could well include parts of Siberia, parts of the United States, and parts of Canada, as was agreed to in 1957, because surprise attack with missiles obviously is not limited to Europe.

The second would be a security zone within Europe, which I mentioned a moment earlier in connection with the definition of the coordinates, in which there would be limitations with respect to armament and moving forward into East Germany any of the existing armament, agreement as to indigenous and non-indigenous troops, and possibly at a later stage, on armament.

I say those are phased. There are certain self-denying ordinances which are very largely taken from the charter of the United Nations that cannot be repeated too often, Senator. They are excellently worded and are extra insurance if one wants that by way of trying to keep the peace of Europe.

THE PEACE TREATY

The last phases again have to do with the election procedures and finally we come to the treaty of peace. We have drafted a complete peace treaty, literally article by article. Our colleagues some time ago felt that it was undesirable to go into such detail, that it would be much better if before going into the detail of articles of a peace treaty, which of course would have to presuppose a single Germany, we would do better to stick to the principles of a peace treaty. So we have agreed on the principles that would govern any peace treaty. And those we can expose if the Russians insist on this detail-by-detail discussion of a peace treaty.

There is one curious phase in connection with that peace treaty, and that is that the German Ambassador in Moscow was told by a very high Russian official that the Russians were going to insist on taking up their peace treaty that they had already published, and try to get us to express our views on every article of that treaty, the purpose being that they would try to amend that treaty in accordance with our ideas and then offer that to the East Germans and say "This is a peace treaty that the Western Powers think is all right."

Whether or not they are going to try to adopt tactics of that kind, we have no idea. We don't know which way they are likely to proceed.

THE RUSSIANS WANT A SUMMIT BADLY

In regard to assessing our chances of getting anywhere at the Geneva meeting, I would say this. None of us is optimistic that we are going to get to a point of agreement which will actually be signed. From our point of view, this is essentially a probing operation to find out what the Russians intend, and just where the Russians are likely to give.

We are convinced of one thing, and that is that the Russians want a summit conference and want it very badly. A most extraordinary thing happened. Just this morning two cables came in from Moscow that had to do with Khrushchev and decisions he was making, that he was not allowing anybody else to make, that were minor decisions. You would think there would be 20 or 30 people in the country that could easily make them, but he is insisting on making decisions on the very smallest details in the field of international relations. We are convinced from all the evidence we can get that Gromyko,[1] who will be sitting at Geneva, will have absolutely rigid instructions, that there will be very little give and take. But there may be enough give to allow us to say that developments have justified a summit conference.

They know that we are not automatically going to a summit conference. If we were, I am certain that we would be doing nothing there.

We would just be talking with each other for propaganda purposes. But I think that the Russians feel that they ought to be on their very best behavior or they might sacrifice a summit meeting, and that they will want to show enough give to justify further exploration of some of these very difficult problems at a summit meeting.

SPIRIT OF UNITY AMONG WESTERN ALLIES

The one very gratifying agreement that is not recorded here was that on the Western side, Great Britain, France and we would concert our positions before any new proposals were made or any change in either tactical or substantive matters were advanced by our side. There, the spirit of unity was genuine, and on the side of the French and the British there was a real firmness, an intent to play with the others, not to try to steal the ball and run away with it for internal domestic purposes. And generally speaking, we found the German delegation a good deal more cooperative than we had expected after our rather unhappy meetings here at the time of the NATO conference. But I think that to have any exalted hopes as to what will come out of this conference would be foolish.

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[1] Soviet Minister for Foreign Affairs Adrei Gromyko.

I am hoping, though, that our discussions will last long enough so that from a purely probing point of view we will get some indications as to avenues that might be fruitful to explore further.

But we are all agreed that we are definitely going to sit down and are not taking a rigid position, and that everything we have put into this package must be accepted exactly as it is.

This is a package we feel is a genuine one that will command public support around the world as being an honest effort to try to solve a very difficult and dangerous situation in the center of Europe.

IF REUNIFICATION IS REJECTED

The CHAIRMAN. Is it fair to say that if the matter of a unified Germany is projected out of hand, all the rest of your plan does not apply? Is it all based on the assumption that you have to have an entirely new approach if that is an objective?

Secretary HERTER. Yes.

The CHAIRMAN. Flatly?

Secretary HERTER. It is in the initial presentation; there is no question about that. But, Mr. Chairman, in 1955 the Russians were in agreement on the principle of reunification. They have been trying to evade it. I had a talk the other day with Mr. Hammarskjold,[2] who had been talking to Khrushchev, and he discussed the question of reunification. Khrushchev had said, "We must accept it in principle but we will not support it."

Now I don't know just how you read those words. But I think if actually pinned down on the eventual reunification of Germany, that they would have to agree. And if that is agreed to in principle, then a good many things would fall into place which would make it more possible for us to move ahead in the security field and even in the field of Berlin.

The CHAIRMAN. What happens if they reject it, however? They indicate they are going to reject it, don't they?

Secretary HERTER. Excuse me?

The CHAIRMAN. Since the 1955 conference, more recently they indicate that it is not acceptable and observers such as Lippmann who have been over say that while you have agreement among the Allies they are not really enthusiastic about it, that the French are not too enthusiastic about reunification.

You are familiar with that. What is the objective? Do we come home if they reject the principle of reunification?

Secretary HERTER. Oh, no.

The CHAIRMAN. Where do we go from there?

Secretary HERTER. To begin with, we are not going to be able to escape the problem of Berlin if we have to go there.

The CHAIRMAN. Yes.

FALLBACK POSITIONS

Secretary HERTER. There again, we have had some discussions on specific proposals in regard to Berlin. We refused, and I think quite rightly so, even to discuss fallback positions. We were sitting in a room with 40 people.

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[2] U.N. Secretary General Dag Hammarskjold.

If somebody read about a fallback position, then everything that we had worked on would disappear right away and the fallback position would become the original position.

And if we had a second fallback position that would be the next one. So we agreed that until we were actually faced with the necessity of perhaps isolating Berlin at a later time, we would say nothing about a fallback position. Probably the position we have would be the first position that we would offer in either case.

Senator MORSE. That is why the agreement that you entered into that you would all consult with each other before any delegation made any statement at all is so important.

Secretary HERTER. That's right, no question about it. And that the spirit that was evidenced in this meeting in Paris was a good spirit. I have my fingers crossed. There are always internal domestic political pressures and things of that kind that get statesmen moving off on tangents, but I was very happy about the attitude that they showed.

LABOR PARTY CRITICISM

The CHAIRMAN. In your opinion is this criticism of Gaitskell and our support of Macmillan [3] important? Is that important or not?

Secretary HERTER. That originated from an article in the Christian Science Monitor from my home city of Boston. Where that article came from, I don't know. I take it that in that article, something was rather unfortunately worded that indicated that we were anxious to make concessions to help the present government in England hold its position. Certainly there has been no consciousness on our part of doing that as such. If we got mixed up in internal British politics, we could not do anything more to help the present government than to say we were supporting it. In our own country, if a foreign government says it is supporting one political party over the other it is a black eye for that political party; so we could not do anything insipid on that.

The CHAIRMAN. You don't think it is too serious.

Secretary HERTER. I don't think it will become more of an issue.

SOVIETS SHOWING DIFFERENT ATTITUDES

The CHAIRMAN. Is there any thought about future meetings? Was there any view expressed and do you have any about future meetings in the sense that Macmillan is reported to have expressed the view that this might well be the beginning, if this proceeds to a summit conference, of a series of them. We should not expect too much out of the first one, but this is a procedure we had better cultivate. Have you any thought about that?

Secretary HERTER. Yes. There again, of course, one can only speculate. But my guess is that if out of real efforts to negotiate one is making even infinitesimal progress, one ought to keep them going. We have too serious a situation in the world as a whole not to keep on negotiating. We have had some interesting experiences in connection with nuclear testing. I don't know whether we are going to reach agreement. We still have some difficult problems. But some of the things that we never thought the Russians would ever give in on, they are giving in on. They are showing an entirely different attitude and apparently want to reach agreement.

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[3] On May 3, British Labor Party leader Hugh Gaitskell warned the United States against any intervention in the current British general election. Gaitskell cited an editorial in the *Christian Science Monitor*, which urged Secretary Herter to support the incumbent Tory government of Harold Macmillan against the unrealistic foreign policies of the Labor Party.

We still have quite a way to go, but we have been sitting there ever since last October, talking day after day. The Austrian Treaty, as you may recall, was concluded after 400 meetings. It went on year after year and we just stuck with it, and finally got the agreement and we got an independent Austria as a result.

I don't think one can afford to give up at any time if there is any hope, provided one does not get into such recriminations and such a completely closed position, unless the Russians decide to take unilateral action against us in the Berlin picture.

The **Chairman**. Yes.

NUCLEAR WEAPONS TESTS

Senator **Church**. Mr. Chairman, may I ask a question with respect to the nuclear weapons tests that the Secretary mentioned? Do you anticipate, Mr. Secretary, that this subject is likely to figure into the negotiations at any phase in the Foreign Ministers' Conference?

Secretary **Herter**. I rather doubt it, for this reason. There still are a number of important unresolved points. You may recall that when we suggested the atmospheric test ban, the simpler procedure, as a beginning, the Russians said that wasn't good enough.

Senator **Church**. Yes.

Secretary **Herter**. But then they began to review their own position with respect to the underground testing, and they have been giving in on one position after another, apparently wanting to get a complete ban on all nuclear weapons testing.

Whether they will go far enough to make it possible to reach a reasonably inspected or monitored system we don't know. But certainly we have to go on with the discussions. We have a physical problem, and that is that Geneva is having conferences of four large bodies at the same time—the World Health Organization [WHO], on nuclear testing, the GATT—they are all meeting there at the same time, and the facilities of Geneva are in bad shape.

The French told us that 1,500 press correspondents have reserved places there, so I think it will be a battle all the time. And it is possible that we can isolate these points of difference and have a recess for a few weeks.

But if there were a summit, it may well be that at a summit such unresolved problems as still remain could be straightened out.

The **Chairman**. As I understand it, you wish to take the position that the summit is still a question and will not be ruled on until you see what comes out of the Geneva meeting?

Secretary **Herter**. I feel that way.

The **Chairman**. Senator Green, do you have a question?

GERMAN BOUNDARIES

Senator **Green**. Yes, I would like to have one point clarified. Do all these negotiations assume that the present eastern boundaries of Germany and the western boundaries of Russia shall remain the same?

Secretary **Herter**. It isn't being said so publicly because that question of giving up the German territories of the Oder-Neisse Line and the Sudetenland in Czechoslovakia would be part of a peace treaty that would ultimately be signed, we hope, with a reunified Germany.

Senator **Green**. There is reasonable ground for hope that such may be the case. That is as far as you could go, isn't it?

Secretary **Herter**. That is very reasonable, but that is still for the Germans to say, and I think they hope that when they say it, they will be able to get some concession for saying it.

Senator **Green**. Isn't Germany the key to this whole situation?

Secretary **Herter**. Yes, it is.

UNIFICATION OF BERLIN

Senator **Green**. What is her position as to the unification of Berlin?

Secretary **Herter**. They would like to see Berlin reunified.

Senator **Green**. They would like it, but are they impressing you with the importance of it?

Secretary **Herter**. It all depends on whether you are thinking of Berlin in terms of a capital or a large city in a reunified Germany eventually.

Senator **Green**. Yes.

Secretary **Herter**. Or on a temporary makeshift basis.

Senator **Green**. What is our attitude toward these German proposals as to the position on Berlin?

Secretary **Herter**. We would like to see the city of Berlin reunified.

Senator **Green**. Yes, but have we taken any position on it?

Secretary **Herter**. Yes, we have taken a position in our initial proposals.

Senator **Green**. Will a change in the form of the personnel of the German Government, Adenauer changing his position and becoming President, make any difference?

Secretary **Herter**. Well, it might. On the other hand, Willy Brandt, who is the Mayor of West Berlin, belongs to the opposition party. He is not a member of the Adenauer party.

Senator **Green**. Yes, I know they are on opposite sides.

Secretary **Herter**. But they have played pretty closely together with the exception of their domestic politics.

Senator **Green**. Will it make any difference to the negotiations with the other countries?

Secretary **Herter**. It might. As far as Berlin is concerned, it might make a great deal of difference because the German opposition, the Socialists, have been talking very freely about the extent to which they want to deal directly with the East Germans in working out an agreement that Adenauer has been unwilling to do from the point of direct conversations and a recognition of East Germany.

Senator **Green**. A change in his office would make no difference?

Secretary **Herter**. Oh, yes, it might, not in his office, but if there was a shift of political parties in control. They have elections coming in 1961.

Senator **Green**. That is all. Thank you.

The **Chairman**. Senator Langer?

Senator **Langer**. No questions, thank you. I want to ask a question on another matter after a while but not now.

The **Chairman**. Senator Humphrey?

VISITS WITH KHRUSHCHEV

Senator **Humphrey**. On the question of reunification, you mentioned Mr. Hammarskjold's visit with Khrushchev. Did I understand you to say that Hammerskjold said that Khrushchev was for reunification in principle?

Secretary **Herter**. Yes, but he would not support it.

Senator **Humphrey**. Is this what he means by the reunification on the basis of a confederation?

Secretary **Herter**. It may have been, because no details were given, and one can read a lot or very little into a statement of that kind.

Senator **Humphrey**. In my visit with him we had a long talk about this, as you know.

Secretary **Herter**. Yes.

Senator **Humphrey**. And I noted four times in the discussion that he said about reunification, "not at this time." He never ruled out the possibility, but obviously was considering it on his own terms.

Secretary **Herter**. Yes.

Senator **Humphrey**. The reason I bring this up is, is our position that as long as the principle of reunification is adhered to, regardless of the terms, that from our position there has been satisfaction for further presentation of other negotiating positions?

Secretary **Herter**. Oh, yes, a lot of things fall into place.

Senator **Humphrey**. As long as the principle of reunification is permitted.

Secretary **Herter**. That's right, as long as that is still the objective, because then it means that you are not trying to settle something for all time without reunification.

Senator **Humphrey**. Exactly. Now I am interested in——

Senator **Lausche**. Senator Humphrey, would you ask him why he took the position "Yes, I am for reunification but not now"? What is he waiting for?

Senator **Humphrey**. His answer to me was "I can't expect you people in the West to permit Western Germany to fall into the Warsaw Pact area or into our area and you could not expect us to give up East Germany for a reunited Germany that would be in your area."

Then he went on to point out the great industrial base that had been put into East Germany. This is one of the things that worries me a great deal about the reunification aspect, because Germany is the heart of the new Soviet chemical industry, which is a part of the total complex of the Soviet industrial empire. And I think they are very worried about what would happen under reunification tradewise relating to this integrated part of the industrial combine of the Soviet Union.

DEALINGS WITH EAST GERMANY

I wanted to ask another question with reference to our dealings with East Germany, Mr. Secretary. What is the difference as you see it between de jure or de facto dealings with East Germany? Now I know what the differences are diplomatically, but what are the real differences?

How do you differentiate? You said we might have some de facto dealings with East Germany.

Secretary **Herter**. Well, I don't know that we would have de facto dealings. We have had de facto dealings with the Chinese Communists. We signed an armistice agreement with them at Panmunjom. It was a sad thing but we did, because they have never lived up to the provisions of that agreement. We have had regular talks with them that used to be held in Switzerland and are now being held in Poland.

Senator **Humphrey**. Yes, sir.

Secretary **Herter**. That, you could say, is a de facto arrangement.

Senator **Humphrey**. Yes.

Secretary **Herter**. For carrying on discussions with them about problems that are of mutual interest. But we have not recognized them as a government of right, which is a de jure recognition that means automatic acceptance of all of their acts.

When one gives de jure recognition to a country, unless one has excluded from that recognition certain specific things, one automatically has approved of everything that that government has done, even confiscation of property. You relinquish all claims unless you reserve at the time of recognition outstanding claims and things of that sort. You automatically have approved of everything that has gone before and you start with a clean slate.

Senator **Humphrey**. So the kind of de facto arrangement you are talking about is not necessarily de facto recognition, but de facto arrangements.

ECONOMIC CONTACTS

Secretary **Herter**. Today, for instance, the East Germans and the West Germans, as you know, carry on a lot of trade.

Senator **Humphrey**. Yes, they do indeed.

Secretary **Herter**. We even have a curious situation with our own military equipment going into Germany by railroad. We make all our arrangements in West Germany. They in turn make the arrangements—it is a railway company that we make our arrangements with. That railway company makes its arrangements with an East German railway company. At the border there is a controller for West Germany, a controller for East Germany, and a controller for the military.

Actually the East German always stays in the baggage car, but the others make all the arrangements. We pay West Germany for our transportation costs. They in turn make arrangements with the East Germans for their share. But they change locomotives at the border and all that is done by the Germans. We don't come into it at all except by the contract that we make with the West Germans.

Senator **Humphrey**. In other words, what you are telling us is that there is a substantial amount of economic contact.

Secretary **Herter**. Yes.

Senator **Humphrey**. With the East Germans?

Secretary **Herter**. It is done through corporate bodies. They are really governmental but they are not called governmental.

Senator **Humphrey**. This is all to the good, is it not, in terms of promoting unification?

Secretary **Herter**. I think the more of that that could be encouraged, the better.

THE AGENT THEORY

Senator **Humphrey**. I am interested finally in the agent theory. You know that, relating to Berlin, in case the Soviets stand pat and withdraw from the 'occupation statutes arrangements, we will be compelled to face up to East German guards and East German inspectors along the access roads or through the access points, including the control tower in the airports.

What is our plan? Is our plan to recognize the agent theory, the concept of the East Germans being agents of the Soviets?

Secretary **Herter**. It would depend entirely on whether the Russians would still maintain their position as principals. In other words, if one had a complaint as to the harassing of our traffic by the check points, we would not go to the East Germans; we would go to the principal and not the agent.

Senator **Humphrey**. Yes, sir.

Secretary **Herter**. And they would make a commitment to maintain those rights for us as they have at the present time.

POSSIBILITY OF EAST GERMAN HARASSMENT

Senator **Humphrey**. Now what happens, Mr. Secretary, if the Russians say just what they have been saying, that they are not going to be a principal, that they are completely withdrawing, everything is null and void, which their leaders have said repeatedly, and the East Germans start to harass us and cause us great difficulty? Then what happens?

Secretary **Herter**. That is of course the $64 question, the extent to which they harass us. We take the position that they have not acquired a right to do that, that the Russians had no possible legal justification for turning over that right to them.

Senator **Humphrey**. I know this is a good argument in a court of law.

Secretary **Herter**. That's right.

Senator **Humphrey**. I wish we could put it into the world court. In fact it might not be a bad idea to attempt to do so just out of sheer sound procedure. But if we can't get it into the world court, and if no one will abide by the decision of the court, what happens when the legal arguments are strained and cast aside?

Secretary **Herter**. We identify ourselves, and if they refuse to accept our identification, very similar to what we have been doing with the Russian checkpoint officers, then we probably have recourse to the United Nations. Certainly we would see whether they were going to stop us forcibly or not. We would not shoot but we would see whether they were going to shoot. And naturally we would try to negotiate that point out.

Senator **Humphrey**. With whom?

Secretary **Herter**. With the Russians.

Senator **Humphrey**. I am not trying to be cantankerous. Really, I am deeply concerned about this and I have supported the position of our Government right down to the end of the line and will continue to do so. But what worries me is that when we get down to the $64 question we don't want to face up to the really tough ones. When you say we will try to negotiate it out, and I ask with whom, you say with the Russians; but the Russians are not there. They are gone. And in the meantime there are people in East German uniforms. There are East German customs collectors. There are East German foreign service officers. All the paraphernalia of government is there, and the Russians are not there to negotiate. In the meantime access to the city is cut off.

Secretary **Herter**. We get into a very serious situation, and it may be that access to the city would be cut off for a period of time during which we would try to negotiate this. If they tried permanently to throw us out by force, we would have a very serious problem to face.

RUSSIAN RESPONSIBILITY IS CLEAR

Senator **Humphrey**. But let's assume that they did not try to throw us out by force, that they just harassed, blocked, did a dozen little things that they could do, I suppose, from jamming radio signals and so forth; would our immediate step be to try to bring the Russians back in as a principal? We supposedly try to negotiate with them as a responsible world power.

Number two, you said United Nations. And if they don't abide by the United Nations, since East Germany is not a member of the United Nations, and since Mr. Khrushchev has not shown too great a respect for United Nations decrees in the past——

Secretary **Herter**. East Germany alone is not a power. It is East Germany under Russian troops in East Germany that are the great threat.

Senator **Humphrey**. That's right.

Secretary **Herter**. And I think that that is a fact of life; the Russians know that it is sheer illusion to think of the East Germans as being able to operate effectively on their own. They can operate only supported by the Russians. So the Russian responsibility is as clear as a bell.

Senator **Humphrey**. It may be morally and legally responsible, Mr. Secretary, and I thoroughly agree with you. But I have a feeling that these Russians are going to be diabolically clever. They are never going to let a Russian soldier get close to any of this kind of harassment. The East Germans will be up in front all the time, and it will be East Germans that are taking all the harassment, and the Russians may very well literally refuse to deal with us and simply say "We have had it, we are out. You can't keep us in. We don't want to occupy. We are no longer occupying powers. You will deal with East Germany."

Then I think we have to face up to the fact of whether we are prepared to utterly ignore the East German harassment and run the risk of violence and hostilities, or are going to deal with this East German puppet government. I know that is down the end of the road, but I think it is a fair series of questions, Mr. Secretary, to be concerned about.

Secretary **Herter**. May I say that we have been very deeply concerned?

Senator **Humphrey**. I know you are.

Secretary **Herter**. We also have pretty successfully converted opposition with the British and the French on this.

Senator **Humphrey**. Yes. You feel that by standing as you are, taking this very firm and united position, this will impress the Soviets with the seriousness of the position and hold them to a more responsible attitude relating to Berlin; is that correct?

Secretary HERTER. Absolutely. But if they feel that we are just a pushover, this is only going to be the beginning. We will be pushed not only out of Berlin but out of other areas of the world very soon.

Senator HUMPHREY. This is the big question. Thank you, sir.

DECREASING TROOPS IN EUROPE

The CHAIRMAN. Mr. Secretary, in that connection, doesn't it seem rather strange that under such serious circumstances we should proceed to decrease the number of our troops at this time?

Secretary HERTER. I think you asked me that question once before, Senator, and I don't feel that from the military point of view I can answer it. We are not decreasing our troops in Europe. We are maintaining the same numbers there. We are of course strengthening our armaments and weapons all the time, so from the point of view of actual strength I have a definite impression that we have not weakened ourselves.

The CHAIRMAN. Do you think your position in a conference with the Russians is strengthened or weakened by the knowledge that anywhere, whether it is in Germany or at home, with our total military personnel being decreased, that helps you in your position vis-a-vis the Russians?

Secretary HERTER. Psychologically, obviously, if there were a feeling on the part of our allies that we were serially decreasing our strength, that would certainly have an effect. But as I understand it, the question that has been debated in the Senate is a matter of some 30,000 troops out of 2½ million.

Senator LONG. A full division, sir.

Secretary HERTER. What is that?

Senator LONG. A division.

The CHAIRMAN. It is the ground troops of the Army down to 870,000, I believe, from 900,000, isn't it?

Senator LONG. The one point that occurs to me about that is that you fix your Army force strength this way, at the BFB, which is the Bureau of the Budget; you get X dollars and X men. That is all you get. Now do the best you can with that. That is how the order comes down. And you are being told to take out 30,000 men, which means one division.

The CHAIRMAN. I don't mean to get clear off on this but it does seem to me to be quite shortsighted under the circumstances that you are laboring with, and they certainly are serious, that we should do anything that would tend psychologically or otherwise—much of this is psychological at this stage—to weaken you in the least.

I don't think that the military ought to be subjecting you to that.

You are out on the firing line at the moment, not they, and they ought to back you up and not do anything that would cause the Russians to think that we are not serious about this matter.

You say if it comes to the $64 question you are talking about, it is always the judgment of the Russians as to how serious you are going to be. What will you do?

One element would indicate you are not very serious. They say "Well, these people are cutting 30,000 troops right now this very month in June."

Senator Aiken, I don't want to take up too much time. Go ahead.

RUSSIANS RESTRICTED TO OWN AREAS IN BERLIN

Senator **Aiken**. I think the ground has been pretty well covered, Mr. Chairman. There is just one thing here. On the proposal for the reunification of Berlin, you provide that each of the Allied countries shall be permitted to retain forces.

Secretary **Herter**. That is at present, which would mean that the Russians would stay in East Berlin only.

Senator **Aiken**. That is what I was going to ask. Would they be restricted to their own areas?

Secretary **Herter**. Yes.

Senator **Aiken**. That is all.

The **Chairman**. Senator Mansfield?

NATO DEFENSE OF WEST BERLIN

Senator **Mansfield**. Mr. Secretary, I have been very much impressed with your report and I would like to ask a few questions.

I believe you said that so far as NATO is concerned there is a universal guarantee that if West Berlin were attacked the NATO countries would go to its defense?

Secretary **Herter**. Yes, it is not West Berlin. It is an attack on the troops in West Berlin that would be considered an attack on NATO.

Senator **Mansfield**. I see. Now it seems to me that when Willy Brandt was here, he made a speech in New York in which he asserted that West Berlin under the German Constitution was a part of the Federal Republic of Germany; is that correct?

Secretary **Herter**. That is correct, but you know it was one of the lender. That provision was suspended by our high command, so it is not at the moment one of the lender. It is under the Constitution but the Allied control had the right of suspension, and that has not been restored to West Berlin.

Senator **Mansfield**. I see. So is it in a state of suspension temporarily at least?

Secretary **Herter**. Yes.

USE OF THE UNITED NATIONS

Senator **Mansfield**. Now you have mentioned that if worst came to the worst, very likely we would call upon the United Nations. I notice that Mr. Hammarskjold in recent days has been laying out a plan of procedure under which the U.N. if called upon could participate at least in a summit conference. Have you given any thought to the possibility of using the U.N. as a fire prevention organization rather than a firefighting organization as we usually seem to do?

Secretary **Herter**. Of course the threat of war can always be taken to the U.N. I would envisage our going to the U.N. not necessarily as of the moment the road was blocked but probably when the Russians took the first step, which is drawing up the independent treaty with East Berlin and then making the move of turning over to East Berlin their sovereignty rights to the access routes.

Senator **Mansfield**. I see.

Secretary **Herter**. That would be the real threat, and I think that is the stage at which we ought to take it to the U.N.

Senator Mansfield. And I assume that at that stage there would be a possibility of considering the internationalization of all Berlin with perhaps the right of access guaranteed by the United Nations in some way or other, all routes of access to and from the whole city of Berlin.

Secretary Herter. You can't tell exactly what form it may take.

[Discussion off the record.]

GERMAN TROOPS IN WEST BERLIN

Senator Mansfield. Mr. Secretary, Senator Humphrey asked what you considered the $64 question to be. Has any consideration been given to considering the replacement of allied troops in West Berlin by West German troops?

Secretary Herter. Yes, that has been considered as a possibility. Berlin does not want it at all.

Senator Mansfield. No, I can see their point of view. But then Senator Humphrey raises a point that if it comes to a case of conflict it will be a case of East Germans against the French, the British and the Americans. What will be the effect on the Germans, East and West? Will blood prove to be thicker than ideology?

Secretary Herter. That depends on who else is involved in a conflict of that kind. After all, West Berlin is surrounded by Russian troops.

Senator Mansfield. That is true, but if the East Germans are given control and their troops come into conflict with the Allies, what is the situation going to be in all Germany if any blood is shed?

Secretary Herter. It would be a very unfortunate thing because you can't from a military point of view separate East Germany from Russia.

Senator Mansfield. No, because I assume that even if the Russians do pull out of East Berlin they will maintain their 22 to 25 divisions in East Germany. Has any attempt been made along the lines of contact between the two Germanies to bring about contacts between the East and West Berliners?

Secretary Herter. That is one of the things that we have provided for in this package, the setting up of an all-German committee. It would have that as one of its responsibilities. There again, if I may just utter a word of caution, some of this so-called package that we are talking about has leaked out, but not a word has leaked out about the Berlin provisions.

I don't know how they have escaped so far; I just hope they don't come from here because it would put me in a very difficult position.

COMPARISON TO RELATIONS WITH COMMUNIST CHINA

Senator Mansfield. Mr. Secretary, you have brought out the fact that as far as we are concerned in our relations with the Chinese Communists, there is a certain amount of de facto contact. And I assume that an international lawyer might be able to find in that degree of contact a minor degree of recognition. That is not appeasement. And I make that statement because statements have been made that because there had been contacts for years between East and West Germans, that, in a sense which I have been unable to decipher, indicates a degree of appeasement. But as I understand what you said, this contact between the East and West Germans which has been going on officially and unofficially for years is, under the Western proposal, under consideration for an increase.

Secretary **Herter**. Yes, sir.

POLITICAL FREEDOM IN EAST BERLIN

Senator **Mansfield**. Do you personally think that something should be done on our part to try to bring about for the Germans in the East Zone a greater degree of political freedom so that they can go to the policy and express themselves as do the Germans in the West Zone?

I know that we can't force them, but are we bringing out that proposal?

Secretary **Herter**. That is actually included in the package.

DEFENSE OF A UNIFIED GERMANY

Senator **Mansfield**. Are we prepared in case a unified Germany is brought about—and I realize that that is in the distant future—to consider the possibility of guaranteeing such a Germany against outside aggression and at the same time guaranteeing the Soviet Union against aggression from Germany?

I make the latter statement because I understand that the Russians do have a real fear in that respect in addition to the trade aspects mentioned by Senator Humphrey.

Secretary **Herter**. That is also included. I am going to give away this package bit by bit, I think.

Senator **Mansfield**. What I am really doing is going over some suggestions which I made on February 12 and trying to find out what has happened since that time.

SECURITY ZONE IN EUROPE

Now is there consideration to be given, and just consideration, to the Rapacki, Eden, Gaitskell and other plans on a quid pro quo basis based on a reasonable agreement covering the two conferences at Geneva, one on surprise attack and suspension since last December, and the other on atomic tests which you have indicated is making some progress at this time?

Secretary **Herter**. Yes. The Rapacki Plan[4] by name is pretty much anathema to the continental countries. On the other hand, there is a provision in this package for the creation of a zone; that is the one I referred to, to be delineated by coordinates rather than by countries, which would have somewhat the same effect as a special zone in Europe, a so-called security zone.

Senator **Mansfield**. And what would we expect in return?

Secretary **Herter**. You mean for such a zone?

Senator **Mansfield**. Yes.

Secretary **Herter**. Oh, this is after the reunification of Germany.

Senator **Mansfield**. After the reunification of Germany?

Secretary **Herter**. As of now it is coupled with that.

Senator **Mansfield**. I see. That is all, Mr. Chairman.

The **Chairman**. Senator Carlson, do you have any questions?

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[4] In 1957, the Soviet Union proposed a "nuclear-free zone" in Germany, Poland, and Czechoslovakia, known as the Rapacki Plan after Polish Foreign Minister Adam Rapacki.

A GREAT DEAL OF PATIENCE

Senator **Carlson**. Mr. Chairman, I have no questions. I would like to make a very short statement to the effect that I have been encouraged this morning by the report of our Secretary. I believe we are going to deal with great patience; and as I read history, it is required at times that we do deal with great patience. We as a nation are an impetuous people. We like to pick up a telephone and call somebody over in Tokyo or Berlin and say "Let's sign today." But I think we have reached the place in our national life where we are going to have to deal with great patience in order to work with our allies. And despite irritations that I know are going to be here, I am really very proud to hear this statement from our Secretary and the Allies as they go into this meeting. I think it is encouraging. That is all.

The **Chairman**. Senator from Oregon?

DEFINITION OF DE JURE RECOGNITION

Senator **Morse**. I have a couple of points, Mr. Chairman. First, I want to say to the Secretary that I have been very pleased with the news accounts of your preliminary negotiations, and with your report to this committee this morning. I am glad that Senator Mansfield raised the questions he raised, because some points he brought out were not very kindly treated back in February when he first made them, according to some source very high in our Government as well as other sources; and I thought then and think now that most of the suggestions the Senator from Montana made in February were pretty statesmanlike.

There is one reservation I want to file, a respectful dissent, Mr. Secretary, in the discussion this morning. I would not want this record to close and lay a basis for any assumption on the part of anybody that I agree at all with your interpretation of what de jure recognition means.

It certainly does not mean approval of the past actions of the nation that we recognize.

De jure recognition simply means that we have come to the position that we think this particular government meets the criteria of recognition that we have laid down as a historic policy, but that in no way carries with it approval of past conduct on the part of that government that we abhor.

For example, expropriation of oil fields. We may subsequently recognize a de jure government but in no way approve the expropriation of oil fields and in fact may continue to press for international adjudication of disagreements that we may have with that country without any reservation at all about it.

Secretary **Herter**. Might I interject just a word there, Senator?

Senator **Morse**. Yes.

Secretary **Herter**. When I spoke of approval, I spoke of legal approval, not moral approval.

Senator **Morse**. I am glad I am raising it. I won't even go that far, that we legally approve of past actions of a country, but de jure recognition according to my understanding of the law of recognition is that we feel that this country now has met those criteria that we have laid down as requirements for de jure recognition. It is pretty clear and well-known to you.

One is that they have reached the point where they will keep their international commitments. That is why we recognize them, not because we approve of any legal or illegal course of action that they have taken in the past.

And I just wanted to file my dissent.

The **Chairman**. Wouldn't acceptance be a better word than approval? Do you accept it although you really don't approve it?

Senator **Morse**. Acquiesce.

The **Chairman**. Acquiese or accept.

Senator **Morse**. It doesn't stop you so far as international law is concerned even from pressing your international law rights if you think that past actions have violated them, unless there is some specific agreement that you are giving up any legal course of action that you may have against the country.

Senator **Long**. Might I interject? Do we accord de jure recognition to the Soviet Union?

Secretary **Herter**. Yes, we did, and that is particularly what I had in mind when I was speaking.

At the time we did that in 1933 we reserved a good many points from the point of view particularly of the confiscation of American property at that time, saying that by recognizing them we were not in effect validating legally the acts that they had taken with respect to American property. But we did validate all the acts, so to speak, that they had taken domestically, even though we may have disapproved of them very heartily.

BRINGING OTHER NATIONS INTO THE NEGOTIATIONS

Senator **Morse**. We just don't pass judgment on them. Early in your discussion this morning you said it was possible that at the very beginning Russia might seek to get Poland and Czechoslovakia seated and you were going to oppose it and we might finally insist that Italy be brought in and they might insist that Rumania be brought in. I would follow your judgment, of course, in your course of action anyway.

But that is the judgment that you reach and that is the way we play the game. I only want to make this suggestion as an old horse trader. Sometimes it is a mistake to follow a course of action in negotiations in which you are pretty sure you are going to have to do the retreating.

Sometimes it is best, in order to win the minds of the people in the world we are going to have to win, to say, "We don't care who you have around this table. We will listen to them."

And I am not so sure that something can't be said for getting the policy and the Rumanians and the Czechs into that kind of conference, because we are trying to reach the people behind the Iron Curtain, and if they have representatives at the conference, you may have a better medium for reaching the people.

I am just throwing it out as one reaction to your suggestion, making perfectly clear that you people know the situation that confronts you and if you think that is the way to negotiate, it is fine with me. But I would hate to see us get into a position where we find it necessary to retreat on too many things, because I think that is going to have a bad world public opinion. I am not yet sold on the idea that we should object to anybody they want to bring in.

I wonder what would happen someday if we said to the world, "We don't care who the Russians bring into this conference. Come on, bring them in. We have a case so sound that we are perfectly willing to present it to the people behind the Iron Curtain through their representatives at the conference."

I just throw it out as a suggestion because I am not at all convinced that we ought to be going through false motions in this negotiation. If you intend to give in on that, why don't you take the aggression in the first instance and, if you want to bring them in, say so. We would like to have Italy come in and to have them sit with us.

Secretary HERTER. Senator, in response to the last Russian note on this subject, they mentioned bringing in Poland and Czechoslovakia, because of their special interest.

We said we thought in the first instance that the four nations responsible for the German and the Berlin situation ought to begin these negotiations, but we had no objection where the interests of other nations were concerned to bring them in at the proper time. We don't know what action they are going to take with regard to that, but we have this embarrassment. Forty-five nations declared war on Germany. Some 22 actively participated. Some declared war only to take over German shipping or something of that kind in their countries.

But 22 actually participated. And from the point of view of serious negotiation, if you begin to open the doors wide it gets awfully difficult to make any headway.

RUNNING AWAY FROM THE UNITED NATIONS

Senator MORSE. I recognize that problem. That is why I made that comment with the reservations that I did. My last point, Mr. Chairman, is that I am disturbed about your comment about the French in the United Nations. Mr. Secretary, I don't think we can start setting any precedents of running away from the United Nations because we have some allies that may be out of sorts with the United Nations. That is the best way I can think of to destroy the United Nations. And I don't think the United Nations went nearly as far as they should have on the Algerian matter, but that is up to the United Nations; and I certainly don't think that we ought to team up with France in undercutting the United Nations in regard to our participation in world negotiations that involve an issue that threatens the peace of the world.

Senator AIKEN. Will the Senator yield?

Senator MORSE. Yes.

TAKE THE OFFENSIVE

Senator AIKEN. There is just one thing that has bothered me about your report, Chris. You say our forces are kept flexible so as to adapt themselves quickly to the Russian change of attack. That sounds a little as if we are going to be on the defensive all through this. I was wondering if it would be possible for us to force some issues, perhaps make them change their plans.

Secretary HERTER. We are certainly hopeful. We have got to recognize one thing about Berlin that I think is terribly important. It is in an exposed and a difficult position, surrounded as it is by East Germany. If the Russians succeed through a blackmail tactic of starting these tensions and threatening us with a change in that position, then we have to give something away for a temporary solution. I am absolutely convinced that 2 years from now we will have the same thing and we will have to give away something more, and then 2 years later we will have the same thing. But if we don't make a stand now, they have the advantage of a difficult situation with Berlin sitting as an island surrounded by East Germany. If we begin to give way it is going to be a whittling-away performance and we see no end to it at all.

IMPORTANCE OF WORKING WITH THE U.N.

Senator **Morse**. I close, Mr. Chairman, with this comment, for whatever it is worth to the Secretary, and I respectfully offer it.

I hope our country makes clear to the world as you have by a couple of your statements, but I think they need to be reiterated. We want the world to know that in the background stand the procedures of the United Nations, and that whenever the time comes that these issues are ripe for consideration by the United Nations, the United States has no objection.

I think that is very important, rather than let the idea get abroad that we are going to let some ally antagonistic to the United Nations cause us to join with them in undercutting the United Nations.

Secretary **Herter**. I didn't mean, Senator, to leave that impression at all. I threw that on the table as one of the problems that we have.

Actually in our discussions in Paris where that matter was raised in connection with these papers, and the bringing in of the United Nations in various phases of this thing, the United Nations still stays in the documents.

The **Chairman**. Senator Long?

POSSIBILITY OF ALL-OUT WAR

Senator **Long**. When do you leave, Mr. Secretary?

Secretary **Herter**. Friday at noon time, I think. I am going to Bonn directly to see Chanceller Adenauer just for a few minutes and then back to Geneva.

Senator **Long**. We are certainly behind you 100 percent; I believe you know that. I don't know whether you will find it useful at all, but there are a few people who will, in fact I think some of the ablest strategists and tacticians from a parliamentary and even from a government point of view in this Congress who are not on this committee. We have a couple of Democrats that might be helpful to you if you want to consult with them occasionally.

I have in mind Lyndon Johnson and Dick Russell. I think they are two of the best strategists, tacticians, horse traders I have ever tied into. If anybody can trade you a biscuit for a barrel of fire water those two fellows would be the kind that could probably do it. But just one or two points do occur to me. You do look upon this thing as a situation that could lead to an all-out war, don't you?

Secretary **Herter**. It could. I just hope it won't.

Senator **Long**. I think it could, yes.

Secretary **Herter**. I think anybody would be foolish to not say that this situation might lead to war.

Senator **Long**. That being the case, I hope our Defense Department will put our forces on a basis of complete readiness. If we are forced to fight I certainly hope we won't get caught completely flatfooted the way we did in World War II, having practically our entire Pacific fleet knocked out by complete surprise.

If you do happen to look over your shoulder, I wish you would ask somebody in the Defense Department if they are completely ready for it.

Secretary **Herter**. Senator, we are working very closely with the Defense Department and as a practical matter they have taken a number of steps I think the Russians know about which would indicate that this is a firm situation on our part.

CONCERN ABOUT THE U.S. NAVY

Senator **Long**. Let me tell you the one thing in the closeness of this room that I particularly had in mind as a Navy veteran. I have noticed wherever I have been just in my judgment that if you assign me 15 men I could tell you exactly where all your overseas ships were on any given morning, and give me about 25 in this country and I could tell you where they are in this country. They are inside the breakwater, and my guess is that if you checked it this morning, practically every aircraft carrier we had capable of launching planes with atomic weapons were at either Naples, Villa France or Barcelona or near one of those four spots, and anyone planning to attack us could just plan on having somebody go out there on a mountain and look down and there they are.

Say that you are going to have one ship 5 miles away from the other one so a single bomb would not get the two. Those ships could be maneuvering. Those should be at sea if you really think that somebody is going to pull the cord on you. That is the point I had in mind. I know the discomfort of rowing around on that sea because I was in a small amphibious craft and I could not keep any food on my stomach out there.

But it is a lot better to be out there and have those ships and all those planes with those atomic weapons in the event that these people do decide to strike you than it is to let them sit there.

Frankly, in line with Senator Fulbright's point, if those people think you are really serious about this matter, I think you have a lot better chance than you do if they think you are sitting there and you really are not going to go through if it comes to a showdown.

A LAND CORRIDOR TO BERLIN

One other point has occurred to me. If you can't get any major settlement of this thing, do you think that perhaps we might manage to work out some arrangement that would at least ease the flash points as a temporary matter by getting some type of land corridor, either some type of non-access highway, even if only two lanes, or some type of permission to construct a railroad, at least some unquestioned passage into Berlin?

Do you think there is some possibility of negotiating for that?

Secretary **Herter**. I don't know just what form that would take.

The real danger to Berlin today is not the question of starving out the American garrisons. We are in pretty good shape. If they begin to starve out the population from an economic point of view, Berlin is today a tremendous industrial complex, and has to live on its relationship with West Germany. There are raw materials and goods coming from there all the time. If the harassment began to take the form of really strangling the West Germans, you would have a much more immediate situation than the harassment of the garrisons. All told we have among the allies and us only 11,000 troops in Berlin.

Senator LONG. I understand that, sir, but this thought occurs to me. There is just one possibility: We could get by for a long period of time waiting for these issues to resolve themselves if we had the right to construct just one highway, even if we had to build it on a trestle all the way through. It would not cut East Germany into two segments at all. Just build underpasses and overpasses like the autobahn, for example, from West Germany straight through to East Germany, which would not interfere with those people's rights.

They could fence it off, and we could help them fence it off for that matter, so nobody could use that as a means to escape to the West, and simply have at least one highway that was ours, even if we had to build a bridge all the way through.

It would be better than being subject to being cut off all the time. In New Orleans, for example, we have a bridge 24 miles across water and it doesn't have a fraction of the traffic that something like this would have.

But couldn't we work out some way, if we can't get anything else, to get at least some corridor that would meet whatever requirements these people insist upon for their security purposes to guarantee us that we can get through there, unless these issues can be resolved?

Secretary HERTER. I haven't thought of that, Senator, because the rights we have now on the autobahn and on the railway are as clear as a bell. I am just wondering whether one could get any rights that were any greater on a new road that was built through.

The land tags would have to be made. I don't know whether they would be in the name of the East German Government or they would give us the property. We would have some difficulties with that, I suspect.

THE RIGHT OF POSSESSION

Senator LONG. The point I had in mind is that the right to use can be subject to all kinds of interruptions, some of them reasonable, most of them unreasonable. But the right of possession is an entirely different character of right which is not subject to that type of interruption, and that is the kind of thing I hope we can get.

In other words, if you can't get the right to possess the land, or the right to build something over it at certain points at least, you see, I would just hope that if you could not get anything else you might come up with something like that to at least get us out of this mess. As the mouse said, I don't want any cheese. Just let me out of the trap.

Secretary HERTER. I don't think we can do very much. There has been talk of a 100-mile strip from Berlin right through East Germany to West Germany that would belong to West Germany, and that would certainly ease the Berlin picture a good deal; but I have some question as to whether we could negotiate that very easily.

Senator **Long**. You see, if we just had a trestle through there with either a railroad or a highway on top of it, at least we could get through with the supplies to the people in that city.

Secretary **Herter**. If they wanted to stop us I suspect that our rights on that would not be very much better than they are today on the autobahn, the railroad and the canal.

Senator **Long**. My thought is that they would have to blow it down.

Secretary **Herter**. Yes.

Senator **Long**. And it would not be a matter of us having to fight our way through when they had possession of it. Thank you very much, Mr. Secretary.

The **Chairman**. Senator Church, do you have any questions?

PACKAGE PROPOSALS

Senator **Church**. Mr. Secretary, I have one or two brief questions to clear up in my own mind your earlier testimony with respect to the package proposal. Do I understand correctly that the proposal we will make with respect to Berlin is to be included in the first phase?

Secretary **Herter**. That's right.

Senator **Church**. Of that package?

Secretary **Herter**. It will take a little while to work out; what we are proposing would go through the second phase, but it would be proposed in the first instance.

Senator **Church**. Yes. Then later this morning in response to another question you said that insofar as the security aspects of the package proposal are concerned, these depend upon the Russian acceptance of German unification.

In other words, the package proposal contemplates that such zoning as might be agreed to would come after acceptance of German unification.

Now would you clarify that for me? Do you mean by that merely the acceptance by the Russians of the principle of unification, or do you mean the acceptance by the Russians of the specifics contained in the package proposal vis-a-vis unification?

Secretary **Herter**. Again that would be phased. If there were an acceptance of the principle of reunification, the so-called zone between the coordinates would be created; it would begin in the first phase with the exchange of information on troops, and the setting up of an inspection system. The next phase of it would have to do with agreed numbers of indigenous and non-indigenous troops.

The third phase of it, which would be put into effect only after a peace treaty was signed, not after the vote of reunification——

OTHER COMMITTEE BUSINESS

The **Chairman**. Pardon me, Mr. Secretary. Senator Aiken, you know there is a meeting at 3:30 on the Middle East and we are invited. We will hear Secretary Rountree at 3:30 here in this room. You are invited and we hope you can come.

Senator **Aiken**. I have a fallout hearing at 2 o'clock but I could get here maybe at 3:30.

The **Chairman**. I wanted everybody to know that. You are all invited whether you are on the committee or not. We are going to discuss Iraq. That is all I wanted you to know. Pardon me, Frank. Go ahead.

PHASES OF THE PEACE PROPOSALS

Secretary **Herter**. The final stage would be with the ratification of a peace treaty. If a peace treaty went into effect, then non-indigenous forces would remain on the territory in their zone only with the consent of the governments concerned.

That is pretty important from the point of view of the satellite nations.

Senator **Church**. Yes.

Senator **Long**. I did not quite get the first two points you had in mind.

Secretary **Herter**. This is the setting up of the so-called security zone. It is laid out in phases, but different things would take part as the reunification steps took place.

Senator **Long**. I didn't quite get those.

Secretary **Herter**. Phase one would be agreement on the delimitation of the zone, and the second phase would be exchange of information as to actual troops within the zone.

The third phase that would come with the vote in Germany would be the actual limitation of numbers, both indigenous and non-indigenous, and the fourth with the signing of the peace treaty. Then, no foreign troops could remain on the soil of those nations that are within that zone.

Senator **Church**. Mr. Secretary, in the event that——

Secretary **Herter**. Again I am going into a little detail on this that I probably ought to be keeping quiet.

Senator **Green**. Is there any importance in the order that you covered them?

Secretary **Herter**. What is that, sir?

Senator **Green**. Is there any importance to be given to the arrangement 1, 2, 3, 4?

Secretary **Herter**. Oh, very much so.

Senator **Green**. I mean the importance.

Secretary **Herter**. They are phased together so that if we are or the Western people are making a concession for the security there, the Russians are making an equivalent concession at the same time.

RUSSIANS WANT A SECURITY ZONE

Senator **Church**. If it were to develop that the Russians rejected at the conference the package proposal and refused to agree to any plan for reunification of Germany, I understand that you have not delineated what alternative positions we might take, and I appreciate the reasons why it might not be advisable to do so.

But is it the present thinking that we would then exclude from consideration at the conference an effort to reach agreement on two points only, namely Berlin and some security arrangement of the sort that may establish some new neutral zone in Middle Europe or some arrangement along the lines of the Macmillan proposal?

Secretary **Herter**. I wouldn't like to be committed to that.

The point is this: This security zone is an effort to button up the tensions that arise from the whole German picture and not Berlin alone. The Russians want that zone. If we give it to them we are paying a price for the blackmail that they have been exacting from us in Berlin, and we feel that they have damn well got to make some concession.

They started this thing in Berlin, we didn't start it.

Senator **Church**. Yes.

Secretary **Herter**. But there damn well will have to be some concession on their part. Now if they offer some concession that is something else again, but we are not going to do what they want us to do, which is to separate Europe.

They would love to get a separation of Europe if they could, and also to begin to neutralize Germany for good and try to take it away not only from NATO but from its economic agreement and get it oriented toward the East, if they possibly can. And we cannot agree to that or anything that approaches that without seeing what they are willing to do from the point of view of the security of the whole area and in the Berlin picture.

Senator **Church**. I agree wholeheartedly there, that certainly any kind of agreement would have to be based on a quid pro quo arrangement. The only thing I was trying to ascertain was whether we would go into the conference with this package, determined to settle it on this basis, or, if this proves impossible, we are ready to break the package apart and negotiate, looking always toward adequate concessions on the other side.

Secretary **Herter**. That's right.

Senator **Church**. For any concessions we might make.

Secretary **Herter**. That is exactly what we have said. We are going in to negotiate in good faith. But that doesn't mean that we are going to give everything away and get nothing in return just because they have been blackmailing us on Berlin.

Senator **Church**. Certainly not.

STATEMENTS TO THE PRESS

The **Chairman**. Mr. Secretary, we appreciate very much your giving us so much time. It has been extremely interesting. I wonder if you have any suggestions as to what I might say to the press? They are going to be in here in a minute and this is always difficult after executive sessions.

They are hard to satisfy. You didn't prepare a statement.

Secretary **Herter**. No, I didn't.

The **Chairman**. I will try to keep it as brief as possible.

Secretary **Herter**. I just reviewed with you the agreements that we reached.

The **Chairman**. Then they will ask specifically what the package has.

Secretary **Herter**. You are going to get me into awful trouble.

The **Chairman**. I would like to suggest that in the future it would be of assistance to us when we have, as I anticipate we will, really delicate matters to discuss, and since you know what you are going to discuss, that one of your assistants prepare a statement that goes as far as you can and wish to go and have it ready. That certainly assists the chairman of this committee in satisfying the press.

I would be perfectly content to say, "Gentlemen, no comment," but you just can't get by with that. I have to tell them something, and I would hope that in the future, especially while you are negotiating if that meets with your approval, one of your aides would prepare a brief statement.

It might be a safe way to do it. We don't know what you are going to say so we can't prepare it. You have to do that. Would that appeal to you at all?

REVIEWING GENERAL PRINCIPLES

Secretary Herter. I think if you merely said that we reviewed the general principles on which we had reached agreement, that we did not go into the details of the agreement because of the arrangement that had been made between the three powers or the four powers——

The Chairman. This is all very well. They know you didn't spend 2 hours——

Secretary Herter. They could look at the clock and say we've been talking an awfully long time about principles.

The Chairman. They are not going to take that. I believe that Macomber or somebody here could prepare one page. It used to be done, as I recall.

Mr. Marcy. We used to prepare them here and then check it with Bill.

The Chairman. I think it is easier for them to prepare it, knowing what he is going to say, and then let us add a little. But I think it was done in the days of [Tom] Connally and [Walter] George, as I recall. [Deleted.]

You might think about it, at least, because I anticipate we will have a number of these meetings in the next couple of years, and it might help us out.

Secretary Herter. I will be glad to do it. If I had known you wanted it that way I would have been glad to do that.

The Chairman. I just thought about it now. Maybe you can think of a better way, but this is a real problem because they won't be satisfied with just what I would like to give them. [Deleted.]

Senator Green. Why don't you refer them to the Secretary?

The Chairman. They will say "he won't see us. He hasn't time to see us."

AVOID A PRESS CONFERENCE

Mr. Marcy. I just wondered about this possibility. Even if you prepare a 1-page summary, they are not happy with that. They say that is a handout.

Would it be feasible for the Secretary and the chairman to sit here for an extra 5 minutes while the press come in and you say to them this general kind of thing in each other's presence, and then that is it?

The Chairman. They have to get a story of some kind.

Mr. Marcy. These press people up here, Mr. Secretary, never get to see you. They have a different crew covering the Capitol.

Secretary Herter. Yes, but I can't have a press conference here; you realize that. I would be in a lot of trouble, too, because until these negotiations are over, I am not going to have any public press conferences at all. Inevitably they will ask every embarrassing question, and often a negative answer is revealing and it just isn't quite playing fair with my colleagues, particularly when we are going into a negotiation.

The **CHAIRMAN**. This is an especially difficult negotiating time, and that is really why it occurred to me.

Senator **AIKEN**. I understand, Mr. Chairman, that the Western nations are in agreement on matters as far as they are likely to come up at this foreign ministers' conference without——

Secretary **HERTER**. We don't want to accent the fact that we are likely to be in disagreement on these that come up later.

Senator **AIKEN**. I had not thought of that as a public statement in any sense of the word.

SATISFYING THE PRESS

The **CHAIRMAN**. I don't know the answer. I just throw it out for you and your aides to give some thought to this matter and see if we can't perfect a more efficient way than what we have had in the past.

Secretary **HERTER**. It would help me a lot if you could say that we went over in general terms the background of the talks and the agreement that we had reached, but because of the negotiating position we are in at the moment, details cannot be discussed at this time, particularly because of the four power agreement, and that until we meet the Russians we will not be discussing our positions in detail.

The **CHAIRMAN**. Is that agreement among you four?

Secretary **HERTER**. Yes.

Senator **CARLSON**. My sentiments are with the chairman. I know the problem.

The **CHAIRMAN**. It is difficult to do it in a way that will satisfy them.

Senator **CHURCH**. I am solving my problem, Mr. Chairman. I am going out the back door which is something you can't do.

Thank you very much, Mr. Secretary.

THE CONTENTS OF THE PACKAGE

The **CHAIRMAN**. Thank you very much. I gather you don't want us to say that we went into too much detail on the so-called package plan.

Secretary **HERTER**. It is known as a package plan. There is nothing confidential about that. But what is in the package——

The **CHAIRMAN**. That is what I meant. I will do my best. In the future if you have a bright idea that can help us out——

Secretary **HERTER**. *Isvestia* has already said that the package plan is unacceptable, without knowing what is in it.

The **CHAIRMAN**. That is what the papers will probably say: If *Isvestia* knows what it is, why can't I tell them?

Secretary **HERTER**. Any package they say is unacceptable. The Warsaw Conference agreed that only Berlin and the peace treaty would be discussed, but the Russians are on record in connection with the acceptance of the conditions in the agenda for this conference of talking Germany and talking reunification—not reunification as such, but the problem of German security, and the Berlin peace treaty, all four.

Senator **AIKEN**. I think, Bill, your position is that of the fellow who found the package on the beach in that song that was prevalent a few years ago. He didn't know what was in it but he couldn't get rid of the contents. You have one of those.

The **Chairman**. There are lots of other things we will talk about later. We are going to have Rountree this afternoon on Iraq. We had a very good meeting yesterday.

You probably saw a little in the paper. In the first meeting with Dillon on foreign aid, it went from 10:30 a.m. until 5 p.m.

Secretary **Herter**. Yes. I was waiting for him in the Department but he didn't come back.

The **Chairman**. He did a very good job, I think, and of course that is going to be a very hard program to get through without too much damage to it. [Deleted.]

I have to cultivate them to get them to help us out on that one. That is where I get between you.

Secretary **Herter**. I am going out and leaving it to you.

The **Chairman**. All right. I don't like it.

Thank you very much.

[Whereupon, at 12:30 p.m., the hearing adjourned.]

SITUATION IN IRAQ

[EDITOR'S NOTE.—On April 29 the Iraqi Communist Party issued a manifesto demanding the inclusion of Communists in the cabinet and calling for a "radical purge" of the Kassem regime. On the same day, President Eisenhower held a news conference in which he expressed his concern over events in Iraq and stated that the United States was eager to promote better relations with that country. Although a year earlier Kassem had been responsible for the overthrow and assassinations of the strongest pro-Western leaders in the Middle East—an event which triggered the landing of U.S. troops in Lebanon—Eisenhower now termed Kassem's government "one of the most progressive of the countries of the region."]

TUESDAY, MAY 5, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON NEAR EASTERN
AND SOUTH ASIAN AFFAIRS OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met, pursuant to call, at 3:30 p.m., in Room F–53, U.S. Capitol Building, Hon. Albert Gore presiding.

Present: Senators Gore and Carlson.

Also present: Senators Fulbright, Green, Long, Lausche, Church, and Aiken. Stuart Rockwell, director, Office of Near Eastern Affairs, Department of State; Mr. Marcy, Mr. Holt, and Mr. Newhouse, of the committee staff.

Senator GORE. The committee is pleased to have you, Mr. Secretary.

A report was circulated by one of the broadcasting services this morning that the anti-Kassem Kurds were in revolt, resorting to arms. Is this an accurate story?

STATEMENT OF WILLIAM M. ROUNTREE, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. ROUNTREE. We have reports of some squad in the northeastern part of Iraq. There has been some fighting among Kurds, I understand, and also among certain groups of Kurds and the security forces. There are no indications that it is on a wide scale. But certainly there is some trouble in that area.

Within the past couple of weeks, a number of the Kurdish residents of that area have gone over into Turkey—the Turks announced around 800, primarily women and children and older people—to seek sanctuary in Turkey, which has been granted by the Turkish Government.

So I believe there is some truth in these reports, which have also appeared in the Iraqi papers.

Senator GORE. Is this disquiet under way at the moment, or do you have a recent report?

Mr. Rountree. We understand that it continues.

Senator Gore. When did you have your most recent reports?

Mr. Rountree. The most recent reports from Iraqi newspapers have been dated today.

Senator Gore. Dated today?

Mr. Rountree. Yes.

Senator Gore. How do you explain that this has not been handled by the wire services and the newspapers in this country?

Mr. Rountree. I think the wire services and the newspapers in this country rely, in a situation like this, very largely on reports in the Iraqi newspapers. They do not have people going around the country and have limited access to separate information.

There has been some reference to this in the newspapers, but it has not been a major news item.

DELICATE SITUATION IN IRAQ

Senator Gore. What is your policy with respect to Iraq at the moment?

Mr. Rountree. Mr. Chairman, before responding to that question, I wonder if I might say that the situation in Iraq is so delicate that reports of the attitude of the U.S. Government and its officials with respect to it sometimes are taken out of context and built up tremendously. I wonder if I might take the liberty of asking that, in discussing the particularly sensitive aspects of the situation in Iraq, the same very careful attention be given to the security aspects of it as has been the case in all of my previous appearances before this committee.

I would like to speak very frankly, and I intend to speak very frankly, but I urge that what I have to say about the Iraqi situation in this closed session be as closely guarded as possible.

Senator Gore. It is certainly agreeable with the chairman of the subcommittee. Is it agreeable with all of the members?

Senator Carlson. Would it be helpful if you had some of this off the record? This record, of course, is not available to the public.

Mr. Rountree. If there is anything particularly sensitive, I will, thank you.

Senator Gore. Your request is granted.

I will go off the record for the moment.

[Off the record.]

Senator Gore. All right. Fine.

Mr. Rountree. Senator, I am perfectly prepared to proceed in any way you like. Perhaps in light of your request as to what our policy is, it might be well if I attempt to explain something of the situation as we see it now, of what the problems are, and what we are doing about it.

UNREST IN KURDISH AREA

Senator Green. In the first place could he elaborate what this news is? What is the news that you are commenting on?

Mr. Rountree. There are reports that there is unrest in the Kurdish area in northeast Iraq.

Senator Green. Was it limited to that, or did it go more into detail?

Mr. Rountree. It was limited to that.

Senator **Aiken**. Mr. Chairman, do the reports indicate that the unrest and fighting are organized, or is it a general dislike for the present Iraqi regime?

Mr. **Rountree**. There is no specific information as to the extent of the organization. There has been fighting, as I indicated, both among various elements of the Kurdish tribes, and between some of those elements and the Kurdish security forces, not on a large scale.

RELATIONSHIP TO TURKEY

Senator **Green**. Does any of the news such as this affect Turkey at all?

Mr. **Rountree**. I think all the developments in Iraq are a matter of great interest to Turkey, Iran and the other countries in the area. The specific relationship of this incident to Turkey, however, is that it is along the Turkish border, and some of the families of the tribes involved have gone over into Turkey.

Senator **Green**. These are citizens of Iraq?

Mr. **Rountree**. Yes.

Senator **Green**. And not of Turkey. Are there any Turkish citizens involved so far?

Mr. **Rountree**. No, sir; there are no Turkish citizens involved.

Naturally, it would certainly not be unexpected that the Communist-controlled papers in Iraq have said that even today Turks disguised as Iraqi Kurds are involved. But we believe that to be completely false.

The Turkish attitude toward the situation in Iraq is important in the context of your question, Senator, and again, I will proceed any way you like.

Senator **Green**. I was just asking what led to this particular incident in the news.

Mr. **Rountree**. Yes, sir.

Senator **Green**. Have the Turks managed to steer clear of all these incidents?

Mr. **Rountree**. Yes; I think they are carefully staying clear of all these incidents.

Senator **Gore**. What reports do you have about the population that is of Turkish descent or closely related to the Turkish population?

Mr. **Rountree**. Sir, the principal relationship between the two countries is indeed the principal relationship among Turkey, Iran, Iraq, and Syria. There is a large Kurdish area that cuts across the borders. There are substantial numbers of Kurds in Turkey, Iran, Iraq, and Syria. There never has been a very distinct line between the Kurds of Turkey and the Kurds of Iraq and the Kurds of Iran, until recently.

Any disturbances among the Kurds in that part of the world, therefore, inevitably become a matter of concern to the other countries that are involved.

INFORMATION IS UNAVAILABLE

Senator **Gore**. [Deleted.] You say you have reports dated today, that there is disquiet among the Kurdish population.

How full are your reports? Do you mean by "disquiet" that there is sporadic fighting, that there is actually violence, that there are pockets of resistance? To what extent do your reports reflect the detail? And are your reports from your own diplomatic sources or do they come from our intelligence service?

Mr. **Rountree.** Well, specific information gained on the spot is at present unavailable.

Senator **Gore.** Either to you or to the intelligence service?

Mr. **Rountree.** Certainly to us, and I do not believe that we have had any detailed reports of the precise order of magnitude of the fighting in that area, although——

Senator **Gore.** Is there fighting?

Mr. **Rountree** [continuing]. Although we have had some.

Yes, there is fighting. That is confirmed.

Senator **Gore.** But you do not know the extent of it?

Mr. **Rountree.** The Iraqi press reports this, by the way. They report there is fighting, and they claim that the Kurdish elements opposing the security forces are armed with machine guns and mortars.

Senator **Gore.** I would say that fighting with machine guns and mortars is of a fairly serious order.

BRITISH AND TURKISH CONCERN

How do you explain that we are so concerned about this, but the British and the British oil concerns and the Turkish people do not seem to share our concern?

Mr. **Rountree.** Sir, I would not say that the British and the Turks and others do not share our concern. I think that all the countries with an interest in that area are concerned about the situation in Iraq.

The attitude of the Turks toward the situation in Iraq has been rather similar to the attitude of the Iranians, the Israelis, and the British, in that they have felt that the dependence of Kassem upon the Communists, which has grown, has resulted, at least in part and perhaps in very large part, from the pressures on Kassem imposed by the United Arab Republic. They believe the Iraqi people do not want domination by the Soviet Union; certainly they do not want domination by the United Arab Republic. There is a serious situation in the country today as a result of the coming together of the Communist forces and those forces loyal to Kassem, a dependence by Kassem upon the Communists, but it is by no means clear or inevitable that Iraq would or will become a Communist state.

They have tried to prove to Kassem that they entertain no hostility toward him or his regime and that he has nothing to fear from them, hoping he sooner or later would no longer feel compelled to rely on the Communists for support, and would pursue a more independent policy.

Senator **Gore.** Off the record.

[Off the record.]

[Short recess.]

BREACH IN IRAQI REGIME

Senator **Gore.** You may proceed to discuss the situation in Iraq and our policy with respect to it, Mr. Secretary.

Mr. **Rountree.** Thank you, Mr. Chairman.

I will not go into any lengthy background of the situation. You recall that the present problem began with the overthrow of the Nuri Pasha government. The situation created in Iraq at the time was such that the Communists capitalized upon it and supported the new regime, which also received the strong support of the Soviet Union.

It was a very confused situation in Iraq at the time, resulting in a strongly anti-Western attitude on the part of those in control.

The initial reaction of this regime was one of great friendship for the United Arab Republic. Indeed, there was considerable talk of a union between Iraq and the United Arab Republic, but it soon became clear there was a breach among those members of the regime wishing to form some union or closer cooperation with the United Arab Republic, and those opposed to it.

Kassem was opposed to it, and in his opposition he had the very strong support of the Communists.

Following a couple of abortive attempts on the part of the pro-UAR elements to take over control, there developed a very strong, very acrimonious dispute between the Iraqi regime and the United Arab Republic.

The growth of Communist influence in Iraq was, of course, related to this dispute.

Kassem seems strong for the Communist support in light of the UAR activity, and also in light of many fabricated reports which are being fed to Kassem to the effect that the United States and the Western Powers, including Turkey and Iran, are working actively against him. There is suspicion in his mind as to what the attitude of the United States is, and what our intentions are with respect to his regime.

GROWTH OF COMMUNIST INFLUENCE

In the course of the past few months, there has been a substantial growth of Communist influence, so now they control all the media of public expression—newspapers and radio.

Senator **Gore.** How was this control accomplished?

Mr. **Rountree.** By having pro-Communists in control positions with respect to government censorship, in the actual broadcasting facilities, Radio Baghdad, and in substantial control of newspapers at the present time.

Senator **Gore.** Does Kassem know this, or did it occur under him?

Mr. **Rountree.** It occurred under him, and certainly with his knowledge.

Moreover, there has been a substantial infiltration of Communists into the various ministries of the Iraqi Government.

Senator **Fulbright.** Are these indigenous Communists?

Mr. **Rountree.** Yes, sir.

Senator **Fulbright.** Trained in Moscow?

Mr. **Rountree.** A very few of them are trained in Moscow. Some of them are, but it is very hard to really point out more than two or three Moscow-trained Communists who are in key spots.

The Moscow hand, of course, is evident in almost everything going on in Iraq these days. It is a relatively concealed hand. They control, or at least substantially control, the popular resistance forces, which have distinctive power in Iraq.

The pro-Communists are in key positions in other ministries of the government, including particularly the economic ministry, which has signed large trade agreements and loan agreements with the Soviet Union.

Senator GORE. By "key positions," you mean in controlling positions in those departments?

Mr. ROUNTREE. Yes, sir. While we do not know whether the Minister of Economy, Mr. Kubba, is a Communist, he is clearly pro-Communist, and his actions have been highly favorable to the Soviet Union and strongly anti-Western.

Senator GORE. If the Communists control the press, the radio, the economics, what is left with communications, or the essence of that, and the military?

Mr. ROUNTREE. Some of the ministries have been less infiltrated with communism. The Foreign Ministry, for example, still seems to be relatively untouched; and, it is interesting that this is so despite very strong Communist pressures to purge the Foreign Ministry, to fire many Ambassadors and key officials, including the Ambassador-designate to the United States.

But there has been some resistance there, and this is, as I will mention later, one of the few brighter spots in the picture in Iraq.

COMMUNIST PENETRATION OF THE ARMY

Senator FULBRIGHT. How about the army? Did you mention that?

Mr. ROUNTREE. The army? No. I was going to come to the army.

The army does not seem to be substantially penetrated by Communists. There have been substantial changes in the army, dismissals of army leaders, transfers, retirements, and so forth, but the people who have replaced them are not regarded to be Communists, but pro-Kassem.

It is really a question of the loyalty to Kassem far more than Communist affiliation.

There is no effective opposition to the Communist forces in Iraq. We firmly believe that a majority of the Iraqis are not sympathetic to communism, and the army is not now an effective opposition to communism. They are effective supporters of Kassem. And unless there is some substantial change there, it is our belief that the army is loyal to Kassem, even if he pursued a non-Communist or anti-Communist policy.

KASSEM IS AN ENIGMA

Yet the Prime Minister remains an enigma. He says he wants Iraq to remain friendly, but he has taken relatively little action to curb the Communists.

I will mention in a moment some of the things he has done which provide some encouragement to us. He has not yet given in to all Communist demands or many key Communist demands.

Senator GORE. Do you think he has the power to resist, in the final analysis?

Mr. ROUNTREE. Particularly so long as the army remains loyal to him, I think he does.

Senator GORE. All right.

COMMUNISTS COULD SEIZE CONTROL

Mr. ROUNTREE. Nevertheless, there is substantial ground to fear that sooner or later, unless there is a substantial change, the Communists will be in position to seize control. The Communists might prefer, and certainly at the present time prefer, indirect control rather than open control.

In Iraq's foreign affairs, they are receiving full political, economic and military support from the Iraqis. By "military," I mean the supply of military arms.

Senator **Fulbright**. From whom?

Mr. **Rountree**. The Soviet Union. And the general tenor of the regime's attitude is anti-Western. Certainly you get far more of an anti-Western flavor, however, from the public media, newspapers and radio, than we believe actually represents the views of the government of Kassem.

Nevertheless, Westerners have been expelled from Iraq and Western contractors are constantly being harassed. It is very difficult for them to operate in Iraq today.

The West is consistently attacked in the press and radio. Our Ambassador has been obstructed in his operations. Iraq is not neutral in its claims, but certainly the public position seems to be far more in favor of the Soviet Union.

In this situation, the Communists have made great efforts to prevent any rapprochement between Kassem and Nasser or Kassem and the United States or other Western countries.

MISSION TO IRAQ

You may recall that I went to Iraq last December. The Iraqi Communists were extremely disturbed about that trip. It really started out to be more or less a routine trip, but even before I left Washington there was a tremendous campaign, initiated by the Soviet Union, by the way, and their commentators set the stage for the attack and were later picked up by the Iraqi Communists, which culminated in large-scale demonstrations with all the trimmings the day I arrived in Iraq.

The real reason they put on the show was because they wanted to hamper what they considered to be my mission, which was to bring about an improvement, a better understanding with Kassem and perhaps even bring about a rapprochement between Kassem and Nasser, and I went to see Nasser before I went to Iraq.

These are the things they feared most. The Communist position has flourished in Iraq largely because they have persuaded Kassem that he has no alternative but to rely upon them for support against the efforts of the United States, the United Arab Republic, and other countries to overthrow the regime.

Any improvement in the understanding would weaken his reliance upon the Communists.

ARABIAN ANTI-COMMUNISM

In this situation, the dispute between Kassem and Nasser, and more generally between the UAR and Iraq, has grown in intensity. Even before I went to Iraq, the Arabs were beginning to be concerned about the Communist menace. As a result, the strong show of force by the Communists at the time of my trip was one of the contributing factors, but one of the factors indicating to the United Arab Republic and other Arabs that the Communists were really gaining strength and the upper hand in Iraq, and led them for the first time to fear the potential of the Communist movement in the Arab world.

An anti-Communist campaign was undertaken which, regardless of its motives, has been tremendous. The Arab States outside Iraq have a new acute recognition of the dangers of communism which I think is a silver lining to a dark cloud.

Under the leadership of Nasser, this campaign has gone to great lengths to demonstrate to the Arabs a real threat to them; apart from the old colonial, imperialistic threat, and the threat of Zionism, the real and the most immediate threat is that of international communism.

So to that extent, I think real good has developed in the area outside of Iraq.

The crusade continues to go on full scale. This has naturally brought about strained relations between Nasser and the United Arab Republic with the Soviets and Communist China.

Other Arabs fear communism in Iraq. They have hesitated to support Nasser because of his past activities against those countries. There has not been the warm, close response and coordination among the Arab States that might have been the case if the relations among those states had been better before the beginning of this Iraqi crisis. Nevertheless, there is certain unanimity among the Arabs with respect to this Communist threat, among Lebanon, Jordan, Saudi Arabia, the Sudan, Libya, Tunisia, and so forth.

DESIRE FOR AN INDEPENDENT IRAQ

The attitude of Turkey and Iran has been one of great concern with the situation in Iraq, but they and the Israelis have also feared an Iraq under the control and domination of Nasser. They would like to see, as I am sure most of the world would like to see, an independent Iraq—independent of the UAR, independent of communism. And they have never really been convinced that the situation in Iraq was so desperate that one should resort to desperate means of bringing about a solution to the Communist problem.

They have felt that Kassem was by no means a lost cause, and that if the pressures from the UAR should subside, he would no longer feel compelled to rely on the Communists for support, and might change his policies.

As Mr. Dulles no doubt mentioned—and I noticed in the brief glance I had of his testimony that he did refer to Turkey particularly—the Turks are more concerned about the situation in Iraq than in the past.

Nevertheless, I think that most of these countries really——

COMMUNICATIONS BETWEEN NASSER AND KASSEM

Senator Gore. Before you leave the UAR, is there communication now between Nasser and Kassem, or has that been cut off?

Mr. Rountree. It has been pretty effectively cut off. Although they have embassies in each other's country, there are no ambassadors, and the communications are at best limited.

I doubt that there has been any personal communication between Kassem and Nasser for some time, because the exchanges between them had been extremely acrimonious.

The attitude of the United Kingdom has not differed substantially from our own, except that the United Kingdom has perhaps been a bit more optimistic, as have the Turks and the Iranians, than we have. They continue to feel that all is not lost in Iraq by any means.

Of course, their concern about Nasser is somewhat similar to the concern of the Israelis and the others. They are most reluctant to see succeed a program which would actually bring Iraq under the domination of Nasser, which I might say parenthetically I regard as unlikely in any event, because of the traditional animosities and competition between Iraq and Egypt.

The attitude of Jordan is fairly clear. They are strongly anti-Communist, and deeply concerned about the Communists in Iraq. Of course, because of the relationship between King Hussein and the former regime in Iraq, there is deep personal feeling, but they do not believe that the situation in Iraq is such that it can and should be solved by a kind of union between Hussein's greatest enemy, Nasser, and their country.

U.S. POLICY TOWARD KASSEM

In this situation, we have had perhaps one of the most difficult jobs imaginable: deciding what to do.

Because of the factors I have mentioned, we have tried in every way possible to convince Kassem that we are not really out to get him; that we would like to have a basis for good relations with him and his regime; and that we have an earnest desire to see Iraq remain independent.

He is not convinced of this attitude on our part, although we have repeatedly attempted to put this point across.

Senator GORE. Has he made open accusations?

Mr. ROUNTREE. Even when I talked with him, he made open accusations, in a rather guarded way, that with or without our knowledge, Americans were engaged in activities inimical to the interest of the regime.

It is quite clear he was reflecting some of this fabricated intelligence information that I mentioned, which we have no doubt the Communists are giving him regularly.

Senator CHURCH. Mr. Secretary, is that the only reason for his skepticism?

Mr. ROUNTREE. I think one of the reasons for his skepticism goes back to the initial days of the coup d'etat where the reaction to the bloody massacre was very sharp indeed, and where he was not sure of the extent to which the United States and the West in general would go.

I think, for example, the landing of our forces in Lebanon, and the landing of the British forces in Jordan no doubt had something to do with the formulation of an attitude of concern.

U.S. RELATIONSHIP WITH FORMER IRAQI REGIME

Senator CHURCH. Would that attitude stem in part also from our relationships with the former regime?

Mr. ROUNTREE. Yes; it would stem in large part from that. He knew, of course, that the former regime was very closely associated with the British, the United States, and a member of the Baghdad Pact, and so forth.

Senator CHURCH. When that regime was overthrown by Mr. Kassem, what was the nature of the revolt? Was it essentially a revolt of the armed forces against the regime, led by Kassem?

Mr. ROUNTREE. Yes, sir.

Senator CHURCH. Now, had not those armed forces been equipped, to a large extent through the military assistance program by the United States?

Mr. ROUNTREE. Their equipment primarily had come originally from the British. Under our program we had provided some military assistance in relatively small quantities.

Senator CHURCH. Our program in support of the Baghdad Pact.

Mr. ROUNTREE. Yes.

Senator CHURCH. So in part, at least, the armies of the regime had been supplied by the United States?

Mr. ROUNTREE. That is right.

CURRENT U.S. MILITARY PROGRAMS

Senator AIKEN. Have we any programs in operation now?

Mr. ROUNTREE. No, sir. You mean military programs?

Senator AIKEN. Military in Iraq.

Mr. ROUNTREE. We do not now have an active military program. One of the steps which we took to try to convince Kassem that we wanted a basis for good relations was to retain our technical assistance mission and our military mission there, but because of the nature of the problem the military mission had nothing to do unless and until the attitude of the Iraqi regime with respect to the agreement under which our military aid was provided in the past could become clear and it should be determined in our interest to continue a military program.

We have never determined that. Therefore, the military mission has been allowed to go down so that there are now only, I think, three officers remaining, mainly for custodial purposes.

But we did leave our entire USOM mission there, and hoped that they would be fully utilized by the Iraqis. Because of the situation in the country, however, only a relatively small number of our personnel have been usefully employed. A good many of them have been told that their services were no longer required. We have, therefore, cut down the size of it substantially, and it continues to dwindle as time goes on.

But we did not want to simply withdraw the mission. We wanted to make it clear through this and other means that we were prepared to support the independence of Iraq, and good relations between Iraq and the United States.

POPULAR SUPPORT FOR KASSEM

Senator CHURCH. Mr. Secretary, may I ask just two or three more questions along this line?

Kassem has now publicly withdrawn Iraq from participation in the Baghdad Pact, has he not?

Mr. ROUNTREE. That is correct.

Senator CHURCH. To what extent does Kassem, in your opinion, now enjoy the support of the people of Iraq?

Mr. ROUNTREE. I think to a substantial extent.

Senator CHURCH. Then there must have been widespread popular dissatisfaction with the former regime.

Mr. ROUNTREE. I think that is correct.

Senator CHURCH. Why was this so, in your opinion?

Mr. ROUNTREE. I think it was so for a number of reasons. One is the dissatisfaction of the Iraqis with the rate of progress in the country. To a large extent, it was really due to the fact the Iraqis favored Arab nationalism and admired and respected Nasser, who was the archenemy of Nuri Pasha and the Nuri Pasha regime. And the UAR propaganda had been far more effective in Iraq than was believed to be the case before the coup d'etat.

At the time of the coup d'etat, Nasser was an extremely popular man. His pictures appeared in public everywhere, and the people on the streets, the revolutionaries, were cheering louder for Nasser than for Kassem, Arrif, or anyone else.

It is since the issue was drawn between Iraq and the UAR that the Iraqis have more or less rallied around Kassem, and Nasser's position has greatly diminished, although no doubt there is still widespread respect for Nasser.

But the opposition to Nasser in Iraq today is a substantially different type of opposition than it was under Nuri Pasha, for different reasons.

So I think that it is rather strange that the admiration for Nasser should have been such a factor in the public attitudes in Iraq before the downfall of the Nuri Pasha regime; and yet mainly the same people, are now opposed to Nasser because they simply do not want to subordinate Iraq to the United Arab Republic or to Egypt, as they believe, rightly or wrongly, to be the objective of Nasser.

ANTI-WESTERN SENTIMENTS

Senator CHURCH. I have heard it often charged by some who I think know a good deal about the Middle East that part of the unpopularity of the previous regime was due to its participation in the Baghdad Pact, and to a deep-rooted popular suspicion of military alliance with the West and of the West generally.

Mr. ROUNTREE. I think that is only one factor, and perhaps not the most important factor, in the situation. It was an item that was highly susceptible to exploitation by the UAR propaganda, and I must say it was very effective. No one really knew how effective it was until July 14.

Senator FULBRIGHT. Would the Senator yield there for a question? How many personnel did we have in Iraq at the time of the murder of Nuri?

Mr. ROUNTREE. I think we had 1,800 including Defense, did we not? The official personnel was about 225. The officer personnel.

Senator FULBRIGHT. Yes. How big an Embassy do we have there? How many in the Embassy?

Mr. ROUNTREE. It was not a very large Embassy.

Senator FULBRIGHT. How many would you guess? Fifty?

Mr. ROUNTREE. In the Embassy proper, less than 50. Then if you add the attaches and the USOM, we had a couple of hundred. In addition to that we had a military mission of roughly 50.

REVOLUTION WAS A SURPRISE AND A MYSTERY

Senator FULBRIGHT. Did our people have no means of getting in communication with the ordinary citizens of these countries? Would they travel only in the little elite group which rules the country, or did they get out and know anything about the country?

Mr. ROUNTREE. They get out pretty widely, Senator.

Senator FULBRIGHT. It has always been a mystery to me that this was a complete surprise, and that now, a year later, we have been unable to do anything to combat it. It leads us to believe they are much more clever than we are in the way they staff their embassies or send in people who are trained.

It is mysterious to me as to why we work in countries for 10 years and 20 years and we cannot do much with them, and within a year they turn a country completely around from being the strongest friend of the West to the strongest enemy. It puzzles me.

I do not pretend to offer an explanation. I am seeking enlightenment as to what happened and why we cannot train people. If you train Kurds, I do not care what they are—but why can we not do as well as the Russians in this business of subversion, or at least counter their subversion?

Mr. ROUNTREE. One thing is quite clear. Despite the fact that the Nuri Pasha regime did not maintain relations with the Soviet Union or the Communist countries, and despite the very strong measures to control local Communists, on July 14 there emerged a well-organized, highly effective Communist organization.

Senator FULBRIGHT. Do you understand how it was organized and, if so, why can we not do likewise?

Mr. ROUNTREE. Well, I think our methods are quite different——

Senator FULBRIGHT. Let us get some new methods.

Mr. ROUNTREE [continuing]. From the methods of international communism.

Senator FULBRIGHT. Then I would favor some new methods. [Laughter.]

ANTI-AMERICANISM IN IRAQ

Senator AIKEN. I would think, Mr. Chairman, that the trades people and service people of Iraq do not dare to serve Americans who live there or to associate with them, in fear of recrimination, that something will happen to them. It is an old-fashioned method. But I do not think it is because they have lost all their liking for Americans. They just do not dare go into the homes to work for them.

Mr. ROUNTREE. I think there is a great admiration for the United States. With the strong element of communism in Iraq today, the situation is such that at present this is a very latent thing.

Senator AIKEN. For instance, the barbers do not dare cut hair for Americans.

Senator GORE. Do not what?

Senator AIKEN. They do not dare to cut your hair if you are an American. They do not dare to help them around the house and do those things any more.

Senator GORE. How long has that been true?

Mr. ROUNTREE. Only since the coup d'etat.

Senator **Gore**. Do you mean that now American citizens cannot get a shoeshine or a haircut?

Senator **Aiken**. That is right, for fear that the shoeshine stand will be smashed up or the barber chair cut up or something happen to them personally. It is just that kind of thing, and we will not operate that way. We did not when we——

Mr. **Rountree**. I did not realize it has gone that far, Senator.

Senator **Aiken**. I am sure it has.

Mr. **Rountree**. But in general, it is not regarded as particularly healthful in Iraq to be seen frequently with Americans or Westerners. That does not mean that we do not have many friends.

Senator **Aiken**. I understand all the mail going in and out to Americans is censored now, and that if you want to get communications out, you must send it out from Beirut and get it mailed from there, if you have someone you can trust to take it there.

Mr. **Rountree**. I was outlining some of the things we have done, Mr. Chairman. We have had a great deal of discussion with our friends as to the situation in Iraq. As I have indicated, there are very strong views held by them with respect to types of solutions that would be acceptable and wise to seek.

DEFENSE OF U.S. INTERESTS IN IRAQ

We also have encouraged our friends, including many other countries, to develop their relations with the Iraqi Government, through whatever means are appropriate to impress upon the government and Kassem personally a sincere concern of the free world that he is running the danger of opening Iraq up to communism, which we do not believe he wants.

We have regularly endeavored to put up a firm defense of U.S. interests in Iraq in these very difficult circumstances, as I have indicated, by our efforts to maintain a U.S. presence there through our missions and through the continued operation of American engineering and other firms. And we have had some success, although all Western firms encounter a substantial degree of harassment in their operations.

It is important, as I have indicated, that the situation in the area has developed whereby there is a recognition among the Arab States of the dangers of communism.

With the development of the Iraqi situation, our relations with the United Arab Republic have substantially improved. We have encouraged Nasser in his anti-Communist campaign.

Senator **Gore**. How have we encouraged him?

Mr. **Rountree**. May I go off the record at this time?

Senator **Gore**. Yes indeed.

[Off the record.]

PRESENCE OF U.S. TECHNICIANS

Senator **Aiken**. What would be the effect if we pulled all our technicians out of Iraq? Would they lose their bargaining power with Russia then?

Mr. **Rountree**. No; I do not think the presence of our technicians there has been an effective bargaining weapon.

Senator AIKEN. It makes no difference?

Mr. ROUNTREE. I think it would simply make it more difficut for us to do what we are trying to do, and that is to maintain a U.S. presence in the hope we can influence the situation.

Senator AIKEN. Make it more difficult for those that remain.

Mr. ROUNTREE. Yes, sir.

Senator AIKEN. Even though they do not do anything.

Mr. ROUNTREE. Well, some of them do something, sir. This is not true generally across the board. Some 25 of our technicians are well employed.

Senator AIKEN. They are?

Mr. ROUNTREE. Yes. Some of them are underemployed.

SOME FAVORABLE DEVELOPMENTS

Although the situation, as I have indicated, is a matter of very deep concern to us, it has not been without some favorable developments.

The Prime Minister and the Foreign Minister have refused to cancel appointments to diplomatic posts and to undertake a purge of the Foreign Office. The Foreign Minister himself has shown very cool courage. He seems to have the support of Kassem. He certainly is not a Communist; far from it.

The second factor I mention in this connection is that no political prisoners thus far have been sentenced to death by the president of the court; and the Prime Minister, in fact, has chided those pressing for executions, saying that popular demand should be channeled to constructive ends. I think this is a very favorable sign, particularly since the Communists have been insisting ever since these people were condemned that they be executed.

There never has been a resolution passed by the Communists or a demand by the Communists that has led to an execution of these people.

The third factor is that the National Democratic Party, which is the largest, most effective non-Communist Party, has not given up hope for the establishment of normal political processes. They have been working to some extent with the Communists, and they might feel it expedient to continue to play ball with the Communists, but they regard this as tactical, and have not given up hope for it.

Another factor is that the Government of Iraq policy toward the oil companies, the IPC, has been reassuring, particularly in recent conversations they have had with representatives of the company.

Another factor is that Kassem's speech on April 30 contained rather refreshing indications of independence of thought on several matters to which the Communists attached importance, such as making clear that he did not favor the recognition of parties as the Communists have been urging very strongly, and thus the establishment of a Communist Party which would participate in the government.

Also in that speech he made an effort to improve relations between labor and the employers, which, of course, is a great problem at the present time.

COMMUNIST STRENGTHS

Senator GORE. Are the Communists largely in labor, or are they intellectuals, students, businessmen? What is the character of the Communist membership?

Mr. Rountree. The Communists are strongest in the student unions and labor. The labor unions, mechanics, and that sort of thing, are a very fertile field. There are very few Communist intellectuals in Iraq.

Mr. Rockwell. The university is full of them, students mostly. A number of the teachers there are, also. It has long been the place that they seem to gravitate toward.

Mr. Rountree. Kassem has made on a number of occasions, including most recently in conversation with Ambassador [John D.] Jernegan on the 2d of this month, a serious statement that the Iraqi people could never be Communists and are not disposed toward communism.

Senator Gore. Did he make that public?

Mr. Rountree. No. He made the statement, though, in his latest conversations with Ambassador Jernegan.

That is also true in the case of the Foreign Minister, who has displayed considerable confidence that the threat toward communism will stop and the foreign policy of Iraq will become neutral.

BRITISH OPTIMISM

Another factor is that the U.K. Ambassador[1] is considerably more optimistic concerning improved relations.

[Deleted.]

Senator Gore. [Deleted.]

Mr. Rountree. [Deleted.]

USE THE INDIRECT APPROACH

Those are some of the factors in the situation that are less discouraging. We have concluded the capacity of the United States to take decisive action which would arrest the Communist trend, and which would not threaten other rather limited vital interests in the area; and thus, while we are doing what we can to affect the situation, we must turn to the indirect approach, the use of indigenous forces. And I mention in that connection the relationship which we have with the United Arab Republic, and the views that we are exchanging on a regular basis with others in the area who are concerned with the problem.

Senator Gore. You leave me puzzled. In the beginning of your statement you tell us that the Communists are now virtually in control of the newspapers, radio, the Economic Ministry, and other key positions in the government; that this has been accomplished under Kassem, with his consent.

But now, in the latter part of your statement, you have seemed to indicate that there is ground for genuine hope that Kassem will escape capture, that he will veer away, and that by cooperating with the Kassem government there may yet be hope of its independence.

Is that a summary of what you said, fairly stated?

Mr. Rountree. I think that is fairly stated. We do fear the extent of the Communist penetration. I would not say the Communists as such have taken over any ministry. There has been a substantial Communist penetration in various ministries of the government, and obviously there is a very heavy Communist influence in the propaganda media.

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[1] Sir Humphrey Trevelyan.

However, we have not concluded that there is no prospect of Kassem or the Iraqi regime's turning back before there is an effective Communist takeover in the country.

Certainly it is in our interest to do what we possibly and realistically can to try to prevent that situation. And in that situation, Nasser's anti-Communist campaign has had a very beneficial effect on the Arab States outside of Iraq, but in Iraq it might well have strengthened the position of the Communists by forcing Kassem to rely more upon them.

Thus, the outcome of Nasser's campaign is uncertain. But I believe that one of the results of this situation might be that Nasser will attempt to let up on his attacks against Kassem personally, and attack the Communists generally, so that Kassem will not be in his present position of relying solely upon the Communists for support against these UAR attacks.

Senator GORE. Do you think the UAR and Nasser, or the two together, if there is any distinction, have any substantial popular appeal within Iraq? Is it a source of trouble for Kassem?

Mr. ROUNTREE. I think they have potentially substantial popular appeal in Iraq, but there is no question that the dispute between Kassem and Nasser has resulted in a great reduction in Nasser's effectiveness in that country.

The reports of abortive coups, attempted coup d'etats, have had a highly detrimental effect on Nasser's popularity in Iraq.

TITOISM IN IRAQ

Senator GORE. The New York Times the other day reported signs of Titoism or independence or a split within the Communist Party in Iraq, and that it might take a nationalist turn. What is your view on that?

Mr. ROUNTREE. I have seen no evidence of that. I cannot say that it is not true, but I have seen no real elements of a nationalist Communist organization in Iraq, although it is quite clear that the Communists are following the traditional pattern of aligning themselves 100 percent with the ultra-nationalists. They are supporting the "independence of Iraq" as opposed to an Iraq associated with the United Arab Republic.

In that sense, everything they say in terms of Iraqi nationalism, Iraqi independence, would tend to indicate a policy independent of any other country, including the Soviet Union. But I believe this is purely tactical.

Senator GORE. Senator Long?

Senator LONG. No questions.

Senator GORE. Senator Church?

KURDISH FIGHTING

Senator CHURCH. Mr. Secretary, have you given us in the course of your report this afternoon—if so, I did not have the benefit of it—your interpretation of the political significance to be attached to the present fighting which is taking place in the northern part of the country involving the Kurds?

Mr. ROUNTREE. We discussed that as the first item, Senator, but I will be glad to comment on it.

Senator **Church.** I am sorry. I just missed your construction of the political significance of it.

Mr. **Rountree.** At least according to the reports we have received, there is no widespread fighting, although we understand that the Iraqis claim that there are machine guns and mortars involved.

The fighting has been among Kurdish tribes, and between at least one of those Kurdish tribes and the security forces.

It represents an element of instability because the precise nature of the problem or the significance of it is not clear from an overall point of view.

We do know that traditionally there is trouble among the Kurds, and it appears that at least part of this current trouble relates to the presence of the so-called Barzani Kurds, who have just returned to that part of the world after an absence of 13 years in the Soviet Union.

You may recall that a group went to the Soviet Union at the time the Soviets withdrew from Azerbaijan. These people were outlaws from Iraq who had an alternative to go to the Soviet Union and stayed there until last month when they returned with their leader, Mullah Mustafa Barzani.

I gather part of this dispute and part of the trouble among the Kurds is related in some way to the Barzani Kurds.

There has been a certain degree of instability and difficulty in that part of the world, and it is traditional. It is subject to change, but there is no great significance at the present time.

KURDISH RELATIONS WITH COMMUNISTS AND NASSER

Senator **Church.** Would you not construe it as a protest on the part of the Kurds to the extent of Communist penetration of the Kassem regime, or anything of that sort?

Mr. **Rountree.** It might conceivably be, but on a small scale. Of course, there are various elements in Iraq that are strongly anti-Communist and have expressed themselves. These tribes that were involved in the revolt at Mosul, for example.

Senator **Church.** Is there any tie that you know of between the Kurds and Nasser?

Mr. **Rountree.** Any tie?

Senator **Church.** Is there any connection that you can see between the present fighting in the north part of the country and possible pro-Nasserism feeling?

Mr. **Rountree.** No; I doubt that it would reflect any pro-Nasserism as such.

The Kurdish situation is highly specialized, and I do not purport to be an authority on it. There are certain factors which are rather interesting.

The Kurds are really a minority group in four countries—Turkey, Iran, Iraq, and Syria. They are all in the same little area. You can draw a circle where those four countries come together.

Senator **Gore.** Do they have a common language?

Mr. **Rountree.** No; I do not believe so.

Mr. **Rockwell.** They have a common language, but it has become so different in the various regions that people in one part cannot understand these in another.

Senator **Gore.** Sort of like Chinese,

Mr. Rockwell. In some ways it is very similar to what has happened to the Arabs, too.

Mr. Rountree. They regard themselves as being the same family, the same people.

There has been a lot of talk about an independent Kurdistan, and this appeals to some Kurds. But an independent Kurdistan is a far cry from an Iraq in the United Arab Republic, and a greater Arab grouping in which the Kurds would become an even smaller minority.

So many Kurds, therefore, actively oppose any kind of union between Iraq and the United Arab Republic. On the other hand, many Kurds are strongly anti-Communist and, therefore, opposed to the present policy of the government with respect to Communists.

It is rather complex, and it is very difficult to generalize with respect thereto.

Senator Church. That is all I have.

Senator Gore. Senator Lausche?

Senator Lausche. Yes. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. Yes. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. [Deleted.]

Mr. Rountree. [Deleted.]

Mr. Rockwell. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. [Deleted.]

Mr. Rountree. [Deleted.]

Senator Lausche. That is all I have.

Senator Gore. Thank you Mr. Rountree, very much.

Mr. Rountree. You are quite welcome, sir.

Senator Gore. You have been a very interesting witness, and informative.

[Whereupon, at 5:20 p.m., the subcommittee adjourned.]

MINUTES

WEDNESDAY, MAY 6, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 3:30 p.m. in room 4221, New Senate Office Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Morse, Gore, Church, and Carlson.

Neil H. McElroy, Secretary of Defense, continued his presentation from the earlier public sessions concerning the Mutual Security Program for 1959.

For record of proceedings, see the official transcript and published text.

[At 5:05 p.m. the committee adjourned.]

MINUTES

THURSDAY, MAY 7, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10:05 a.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, Senators Sparkman, Humphrey, Mansfield, Long, Morse, Gore, Church, Aiken, and Carlson.

Livingston T. Merchant, Assistant Secretary of State for European Affairs, accompanied by Maj. Gen. John S. Guthrie, Director, European Region, Office of the Assistant Secretary of Defense for International Security Affairs, and others, testified concerning the European Area Program of MSP.

For record of the proceedings, see the official transcript and published text.

[At the conclusion of their testimony, the committee adjourned at 12:35 p.m.]

MINUTES

MONDAY, MAY 11, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:40 a.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, and Senators Sparkman, Humphrey, Mansfield, Morse, Gore, Lausche, Aiken, and Carlson.

Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs, and others testified on MSP matters in the Far East.

[At the conclusion of the testimony, the committee adjourned at 1 p.m., until 2:30 the same afternoon.]

Afternoon Session

The committee reconvened at 2:30 p.m. in the committee room, F–53, Capitol, in executive session.

Present: Chairman Fulbright, and Senators Green, Sparkman, Humphrey, Gore, Lausche, Aiken, and Carlson.

Joseph C. Satterthwaite, Assistant Secretary of State for African Affairs, and others testified on MSP matters in Africa.

For record of the proceedings, see published text and official transcript.

[At the conclusion of the testimony, the committee adjourned at 5:15 p.m.]

MUTUAL SECURITY ACT OF 1959 (INDIA AND PAKISTAN)[1]

WEDNESDAY, MAY 13, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to adjournment, at 10:15 a.m., in the committee room, U.S. Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Gore, Lausche, Church, Aiken, and Carlson.

Also present: Charles H. Shuff, Deputy Assistant Secretary of Defense; John O. Bell, Special Assistant for Mutual Security Coordination, Department of State; James P. Grant, Deputy Director for Program and Planning, ICA; and Philander P. Claxton, Jr., Department of State.

Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, and Mr. Newhouse, of the committee staff.

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[This transcript was published in 1959 with deletions made for reasons of national security. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page numbers, in brackets, are to the previously published text.]

STATEMENT OF HON. C. DOUGLAS DILLON, ACTING SECRETARY OF STATE [P. 479]

Mr. Dillon. Mr. Chairman, I would like to give the committee a full and frank report on the question of military aid to Pakistan. In order to make that report fully frank and complete, we will have to talk in some detail about the relationships between Pakistan and some of her neighbors, and I think that all of this would have to either be off the record or, if it is on the record, it would have to be stricken before it is printed, because it would do serious damage to our relations.

Senator Green. Which alternative do you suggest is preferable?

Mr. Dillon. I would take either one the committee prefers. I would be perfectly willing to let them have a record so long as it is understood that it will be stricken and not printed.

Senator Green. Suppose then we proceed on the record with the understanding that it is privileged.

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[1] See Appendix B.

MILITARY AID TO PAKISTAN

Mr. **Dillon**. In considering the question of military aid to Pakistan, we must recall the circumstances under which this program was originated.

Conversations between our two governments in the fall of 1954 led to an agreement, the terms of which were recorded in an aide memoire in October 1954, under which the United States committed itself to provide against certain specific deficiencies in the Pakistan military forces.

Negotiations which surrounded this agreement revealed quite clearly that the Pakistan Government then felt a need for substantially larger forces than those the United States was willing to support.

[Deleted.]

It is quite true that in determining their military requirements, the Pakistani authorities take into account the possibility of attack from India or Afghanistan.

Fear of attack from India is rooted in the extremely bloody and recent history of the partition of India and the birth of Pakistan during which it is estimated there were several million casualties.

There were also some Pakistani leaders who believe that India has not accepted the existence of Pakistan as a permanent fact, and that India cherishes the idea of ultimately reincorporating Pakistan to India.

Senator **Green**. May I interrupt to ask whether that is verified, in your opinion?

Mr. **Dillon**. That is not our opinion.

Senator **Green**. Is the figure given for casualties sustained during the partition of India and the birth of Pakistan an exaggerated one?

Mr. **Dillon**. I don't think so, no. I think there were well over a million, probably several million casualties. It was a very bloody affair. They were not all Pakistani casualties; they were in both areas that these mob actions at the time of the split occurred when population had to be transferred.

Senator **Green**. That is true of both sides?

Mr. **Dillon**. That is correct.

UNRESOLVED QUESTION OF INDUS WATERS

Tensions between the two countries are accentuated by the fact that despite over 7 years of negotiations under the World Bank auspices, the question of the Indus waters remains unresolved.

This water question is of extreme importance to Pakistan, and it is of lesser importance to India. Its importance to Pakistan stems from the fact that West Pakistan is 85 percent agricultural in its employment, and is dependent on irrigation for over 80 percent of its food crops.

The major part of this irrigation system comes from the rivers which flow from India, and the threat that this water might be cut off is still a threat to the very existence of Pakistan.

PAKISTAN'S MILITARY STRATEGY

Under these circumstances, the Pakistan leaders, realizing that they are outnumbered militarily by the Indians by a ratio in excess of 3 to 1, realizing also that they lack the logistics support which is found in India's industry, have no illusions whatsoever as to their capability of attacking India. Their entire strategy is based on the concept of maintaining approximately one-third of the military strength of India, believing that such strength will pose an effective deterrent to Indian aggression.

Senator GREEN. Excuse me for the interruption. Is that one-third our figure or their figure?

Mr. DILLON. It is our figure and their figure, both. We are in agreement on that.

It is true that Pakistan devotes a very large percentage of its government budget to defense, although its percentage of GNP devoted to the military is well below the NATO average, and amounts at present to 3.8 percent of the GNP.

Forces maintained by Pakistan are in Pakistan's opinion the absolute minimum essential to assuring her security, and these forces will be maintained at their present strength by the Pakistan Government so long as it is possible for it to do so.

To accomplish this, it is almost certain that, were assistance from the free world to be denied, Pakistan would accept assistance from wherever offered in order to protect herself against what she believes to be the threat of attack by India. They believe that continues as long as their relations with India remain troubled.

At the same time, the Pakistan Government, under its new leadership, the Ayub government,[2] has evidenced a clear intent to keep military expenditures to a minimum and to accelerate and accentuate a government program of economic and fiscal reform in the government. The new government, which is partly military in character, has established a very close budgetary control over the military and has, for example, taken measures to deactivate certain vessels in the Pakistan Navy which were expensive and of little military value.

This was in particular a cruiser which they had for prestige purposes vis-a-vis India. They deactivated it and don't have it any more.

U.S. MILITARY POLICY TOWARD PAKISTAN

In providing military assistance to Pakistan, we have, apart from the fulfillment of specific commitments made in 1954, essentially confined our activities to maintenance and spare parts, along with construction of airfields and other facilities, including barracks. [Deleted.]

Our provision of assistance to Pakistan to meet what it regards as its fundamental requirements puts us in a position to exercise influence on Pakistani military and political policy, and this influence continues to be exercised to persuade Pakistanis to look for peaceful solutions to their difficulties with India, and to look to economic development rather than to military buildup as the answer to domestic problems. General Ayub has just recently made a statement saying he would like to work together with India on the joint defense of South Asia.

One thing worth noting is that the number of men in the Pakistani armed forces today is approximately the same as the number that was included in the Pakistani armed forces 5 years ago, when this program started.

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[2] Gen. Mohammed Ayub Khan became president of Pakistan on Oct. 28, 1958.

There has been, I think, a general opinion that this program has built up the Pakistani armed forces. That is not the case. It has improved their capabilities very much by giving them better equipment, but it has not increased the numbers of men.

REPERCUSSIONS OF REDUCED U.S. AID

The number of military units in the Pakistani armed forces has also not increased in the past 5 years, although the provision of military assistance has made them more effectively equipped.

Any cessation or sharp diversion of U.S. support in the form of a more modest military assistance program to Pakistan would be interpreted by the Pakistanis as abandonment by the United States of a staunch ally, with consequent political repercussions not only in Pakistan but throughout the whole area.

The result would not be to improve the economic lot of the country, but rather to throw it into economic chaos and confusion. This is because the Pakistanis would make every effort of their own, because they think it is a matter of national survival, to spend the money needed to maintain these military forces, until they reach some agreement with India.

If, as someone suggested, we would provide substantially the same dimension of help in economic form rather than in the form of military assistance, we would probably lose our capability of providing some influence on the buildup of military power of the armed forces. You would also risk the same political results as have been suggested above.

The total amount of military assistance which has been provided to Pakistan for fiscal year 1958 is $343 million. The program is estimated at $75.8 million in fiscal year 1959, and $62 million in fiscal year 1960.

Thus, over a period of 6 years the program will amount to approximately $480 million.

It is notable, however, that the rate of expenditure has been declining. Its major capital items have been provided and major construction has been completed. It is now expected that the program will level off at approximately the fiscal year 1960 level.

NEGOTIATIONS TO SETTLE INDUS WATERS DISPUTE

The major hope of obtaining a decrease in military requirements in Pakistan lies in the extent to which negotiations with India to settle the Indus waters problem can be successful.

If this problem can be solved and work begun on these installations to provide and assure equitable use of water, the major cause of tension between the two governments will be eliminated and full attention of the governments on other problems will be possible.

The President of the World Bank, Mr. [Eugene] Black, is presently either just arriving in the area or will arrive in a day or two to present a new and final plan of the World Bank to handle this Indus waters problem. He has received assurance in advance from the Government of Pakistan that they will accept whatever solution the World Bank recommends, so his problem is to sell the solution which he has prepared and which he deems fair to the Government of India, which heretofore has not been willing to agree on any solution in the past.

This solution, if it is carried forth, will require support from the United States and from the other Commonwealth countries as well as from India. The British and the Commonwealth countries have indicated they are prepared to extend this support, and we have indicated that we believe that the solution of the World Bank which it has put forth is a practical one and that we would recommend the necessary legislative action to provide the fund that would be necessary if agreement is reached.

The amount required is considerably less than the earlier figures, and in foreign exchange it would amount to something like $275 million with the United States over a 10-year period, something like $200 million for India, $100 million-plus for the World Bank, and about $75 million in the form of grants from the United Kingdom and Canada.

Senator GREEN. Does that mean that Pakistan will increase its military forces?

Mr. DILLON. No; this is to handle the Indus waters problem, and this would provide that water from the three tributaries of the Indus River that rise in Pakistan would be transferred by canals across Pakistan to the rivers which rise in India, and would provide the water there where there is the maximum need for irrigation and where the crop lands are. It would allow India then to divert the water in those rivers inside the Indian boundary for new uses in India which have not been in existence in the past, and this would solve this problem.

MORE VITAL THAN KASHMIR QUESTION

In my visit in Pakistan last fall, and in all our reports, it is very clear that this Indus waters problem is far more vital and more important to the Pakistanis than the question of Kashmir. And unless and until this is settled, there is a sword hanging over their very existence as a nation, because if the Indian water is cut off, and work is going forward on dams that would do that, it would mean that Pakistan's food production would be cut in half, something on that order, and there would be starvation and complete chaos throughout Pakistan.

Senator AIKEN. From what fund, Mr. Secretary, would the $200 million from the United States come?

Mr. DILLON. Well, I said that we had agreed that we would request the necessary legislation. That could take several forms. This will not happen in this session of the Congress, I am sure, and it could take two forms. If there is a long-range Development Loan Fund program, presumably this would be within the capacity of such a program and no new legislation would be needed other than that. If not, we might need some sort of special title in next year's mutual security bill, or special legislation to handle, in isolation, this settlement of the Indus River dispute, which is probably the most serious remaining dispute in the world today between two free world countries and which is vital to get settled.

Senator AIKEN. It could be in the form of a long-term loan, in any case.

Mr. DILLON. That is what we had in mind.

Senator AIKEN. At a reasonable rate of interest to be paid in the currency of Pakistan.

Mr. **Dillon**. The currency of India, probably.

Senator **Aiken**. In rupees.

Mr. **Dillon**. Yes.

SETTLEMENT OF THE KASHMIR QUESTION [P. 480]

Senator **Green**. You intimated that the settlement of the Kashmir question might become involved in the settlement of this other question.

Mr. **Dillon**. The settlement of the Kashmir question would be greatly facilitated by the settlement of the Indus waters. Everyone is in accord with that, and we would be much more optimistic that a settlement could be reached and we would think in any event the tension between the two countries would be so reduced that it might be possible to make advances in this field of reducing the emphasis on military expenditures in Pakistan, even without a final solution of Kashmir, provided the Indus waters problem had been settled, because that is the main thing.

Senator **Green**. It is a rather complicated thing.

Mr. **Dillon**. I think it is certain that the Kashmir problem cannot be settled without a settlement of the water problem first, because that is the main thing.

Senator **Sparkman**. Mr. Secretary, did I correctly understand you to say in the early part of your statement that Pakistan would be certain to accept the plan?

Mr. **Dillon**. Pakistan gave advance assurance to the World Bank before they even completed the development of the plan that they would accept any plan that the World Bank officials developed and put up as a fair plan.

PRESENT PAKISTAN GOVERNMENT

The present Government of Pakistan is a coalition of military and civil service personnel. It is composed of the groups most favorable to the United States and most Western in their outlook and orientation. They face problems of the greatest difficulty in their success in establishing political and economic stability; it is dependent upon continued outside help.

They gave indications that they are taking much more aggressive steps to right their economic problems than any government that has been in force in Pakistan in the past, and one good thing about this government, we feel—and I think it is the general opinion—is that this is a stronger, more solidly based government than there has been since the time of the partition, since Pakistan became independent, and that therefore this government would be in position to make commitments to India and to keep those commitments.

INDIA'S SUSPICIONS OF PAKISTAN'S STABILITY

One of the major Indian arguments for ever reaching an agreement with Pakistan was that they felt that Pakistan was so unstable that any agreement they made would not be lived up to, or would not be worth the paper it was written on, because eventually a new government would come in and that would be the end of the agreement.

This government is clearly very solidly based, and we feel, and I think even the Indians realize, that this is a different type of government than has been in effect in Pakistan since partition, so for that reason there is an opportunity to have a settlement that perhaps did not exist before.

Withdrawal or substantial reduction in our military assistance to Pakistan at this time prior to any progress on the solution of Indo-Pakistani problems and in the face of Pakistan's willingness to agree, in advance, to the World Bank solution, would be interpreted by this new government as indicating a basic change in our policy of friendship and support for Pakistan.

This would also have considerable impact on the Iranians and on other neighboring countries and would have, we feel, an adverse effect on SEATO.

Therefore, we fully believe that the continuation of our program to Pakistan—about the somewhat reduced size that it is now on, which is primarily the maintenance of these forces which are there, [deleted] is essential until such time as there is some progress in negotiations that are going to be underway immediately with India on this very important Indus waters problem.

As I said before you came in, Mr. Chairman, I wanted to talk very frankly about these India-Pakistan relations, using language which could not appear in print without great damage to the United States, so it was agreed we would have this on the record so the other members of the committee could be fully informed, but that we would be allowed to strike it from the printed record.

The **Chairman**. Are there any further questions?

QUESTION OF SUPPLYING ARMS TO ONE ALLY AGAINST ANOTHER

Senator **Church**. Mr. Chairman, I have some.

Mr. Secretary, my understanding of the military assistance program and the system of alliances to which we have become parties is that it has been directed toward the threat of Soviet aggression.

We have a case in Pakistan where we are supplying large amounts of money to maintain a military force, where the threat as you have described it to us comes principally from India, or at least the Pakistani feeling is that the threat comes principally from India.

I question very seriously the propriety of spending American funds to arm one ally as against the threat posed by another. We are not giving military assistance to India at the present time, are we?

Mr. **Dillon**. No; we are not.

I would like to make clear that what I said—and I think you noted it in your statement—was that this was the Pakistani idea that the threat came from India. We do not feel the same concern that Pakistan does about that threat. We do not feel there is any real threat or that India would really attack Pakistan. For that reason, our support is limited to the forces in West Pakistan. We give no support whatsoever to any ground forces in East Pakistan, which is where the Pakistanis maintain two or three extra divisions on their own.

The aid to Pakistan was in connection with Pakistan's joining the Baghdad Pact, which was a defensive pact against the U.S.S.R. Our Joint Chiefs of Staff felt that these forces would be effective and useful from our point of view in the case of all-out trouble with the U.S.S.R. in the Middle East region.

WHY WASN'T THERE A DIFFERENT APPROACH ON AID TO PAKISTAN? [P. 482]

Senator CHURCH. Let me ask you one other question, Mr. Secretary. Couldn't we have approached this problem of tension between Pakistan and India very differently? Instead of giving massive military assistance to Pakistan, which India might regard as a hostile move and which might be the basis for considerable concern on the part of other allies, why couldn't we have approached it by conditioning our aid to India of a nonmilitary, economic kind that India badly needs upon a settlement between India and Pakistan of these basic differences, and upon an understanding that India would not militarily molest Pakistan? Thus in this way, could we not have sought, by the use of the economic power that we were in position to employ peacefully, to establish stability without resort to arms, which essentially lead to instability, and contribute to inflammatory feeling?

Mr. DILLON. I think that is, of course, a course which could be considered. But we felt that it was an impractical one in the past as far as India was concerned. It may be becoming more practical now because of the aversion in India to anything which they would consider pressure or strings attached to foreign aid, and because of the highly emotional situation which exists between India and Pakistan.

You know, there is another problem which is always in the background here. We don't really know how much weight to give it, but we think it does have considerable weight, certainly in the Indian military establishment. India is a very large country, and it has quite a powerful neighbor to the north, and a long frontier to defend. And we think that the Indians, in setting their own force levels, which they have blamed largely for public relations purposes and in public on the dispute with West Pakistan and on the arming of Pakistan, also are looking over their shoulder at the tremendous military potential of Communist China, and that they might very well have wanted to have just the same size forces in India, in any event, to protect them from that.

That being the case, the relationship then again comes up between Pakistan and India, and leads the Pakistanis to want to maintain this one-third ratio.

I think that the Pakistanis also have some reason to believe that the threat from India that they are so worried about isn't the only threat. There are stories of unidentified aircraft flying over Pakistan which they don't think are Indian aircraft, although there has been some trouble with Indian aircraft flying over Pakistan, as you know. One was shot down, but they think there are some others that come from the Soviet Union, also.

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AIRFIELDS IN KARACHI [P. 483]

Senator CARLSON. Mr. Secretary, I would like to go into this a bit. Do we not have very substantial and important airbases in Pakistan?

Mr. DILLON. No, sir; we don't have any airbases in Pakistan.

Senator CARLSON. There are some very fine airfields in Karachi. Did we build those?

Mr. **Dillon**. There is one Pakistan military airfield at Karachi that I think we helped build.

Is that correct?

That is correct; Mr. Shuff informs me the commercial field is in addition to that. I don't know that we built the commercial field, did we? No; we did not.

Mr. **Shuff**. There are four airfields.

Senator **Carlson**. I mention it, having been there; and do I understand there are four airfields?

Mr. **Shuff**. Yes, sir.

Senator **Carlson**. I was advised when I was there that we had some of the finest airfields in the Far East in that section. Whether they are our bases or not, those fields are available for use, and I assume that through the SEATO arrangement we could use them. And it seems to me that we ought to have enough divisions in Pakistan to at least protect and preserve them—that is, SEATO should—for our national defense.

Mr. **Dillon**. Our arrangements with Pakistan are very definitely that we have no bases there and no base rights there. It is true that these airfields physically exist, and in case of an emergency it might be that arrangements could be arrived at rather promptly to make use of them, but there are no advance arrangements.

Senator **Carlson**. My understanding was that there could be arrangements made and rather hastily arranged, and in view of Afghanistan, Iran and the U.S.S.R. being close by, I could see that from a strategic standpoint it would be some of the most important defense that we might have. And it just seems to me that Pakistan, even without our support, should have enough military support to at least protect themselves, if not for us.

That is all, Mr. Chairman.

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EFFECT OF SITUATION IN TIBET ON PAKISTANI-INDIA RELATIONS [P. 484]

Mr. **Dillon**. I was talking earlier about this Indus waters problem and the negotiations that will be underway this week or next between the World Bank and India, and we do feel that the Indians probably now have considerably more compulsion and desire to reach an accommodation with Pakistan than has been the case in the past, when they felt that China was a friendly country that they didn't have to worry about. Now that their opinion of China has quite drastically changed, we hope that will be effective in bringing about a resolution of this Indus waters thing. If it is done, it would be a really remarkable achievement and would be a great blow for peace and security in the free world.

Senator **Mansfield**. That is all, Mr. Chairman.

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UTILIZING MILITARY FORCES IN KOREA AND FORMOSA FOR NONMILITARY EFFORTS [P. 492]

Senator **Humphrey**. All I am asking is, are they using the manpower for the most productive purposes?

Mr. **Dillon**. It is pertinent in this, Senator, that as you are aware, for some time in the past year or two we have been negotiating with the Government of Korea to achieve a reduction in the number of personnel under arms.

Senator **Humphrey**. This is what I am asking about.

Mr. **Dillon**. Last fall we reached an agreement with them on a new level of 630,000, as compared to 720,000, which it had been up to that time, and that reduction is now in effect. So there has been a reduction in Korea of the kind you are talking about.

The question of whether we can go further is a matter that will, I think, be under continuing study because it is quite a job. I don't think we can start in again in a period of time.

Senator **Humphrey**. The reason I ask this is that our own Government says we can get along with fewer men in our own U.S. Army. This is according to the Bureau of the Budget, and no matter what Senator gets up to propose an amendment to hold the Marine Corps or the Army at a particular status or figure, the executive branch of the Government says, "We will handle this," and no matter how much money we appropriate, no matter what we do, the forces are cut.

My point is that if you can cut the U.S. Marine Corps and the U.S. Army, and cut it on the basis that they have more firepower because of new weapons, then I think it is fair to ask whether you are reexamining the use of the military manpower in Vietnam, Korea, and Formosa, into which most of our foreign aid money for the Far East goes, the areas that is, a reexamination in terms of the new weapons that are available and the new firepower?

Mr. **Shuff**. We are constantly reexamining these programs.

Following up what Mr. Dillon has said here, within the last 4 months we have affected a reduction of 15,000 men in the Chinese Nationalist Army, in the offshore islands.

In addition to that, an attrition rate in their army is contemplated over the next 3-year period because of age that will reduce it still further.

As to reducing the forces of these countries in the same kind of a relationship that we talk about reducing the forces in the U.S. Army, it really isn't quite comparable. We are not using the same modern weapons in the army of Korea and in the army of Taiwan as we are in the U.S. Army. We are going to get to this at some point in the modernization of these forces, but they do not have all the most modern weapons. We are trying to teach them the use of something less than the most modern weapons, and I would guess that when we are in a position to modernize those forces we will be in an equal position to reduce them.

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KASHMIR QUESTION [P. 493]

Senator **Sparkman**. Mr. Chairman, I want to go back to the subject of Pakistan.

I was glad to hear what you had to say about the possibility of settling the Kashmir question in the event a suitable water plan can be worked out.

By the way, are the prospects of India's accepting that plan very good, do you think?

Mr. **Dillon**. The water plan?

Senator **Sparkman**. Yes. Have we had any commitment or any indication?

Mr. **Dillon**. No; the negotiations are just about to begin. India is getting ready to talk to Mr. Black, and we do have indications that the primary problem is the financial one as to what the Indians think is the least that they will have to put up to achieve success.

Senator **Sparkman**. They have been pretty stubborn about it heretofore, have they not?

Mr. Dillon. Very stubborn. They have turned down everything so far, but this is the most favorable plan for India that has come forward, and it will do the job with Pakistan. It was developed after many years of study by the World Bank. The only way to get their costs down would be to see if the British or we put up some more money.

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[At 1:25 p.m., the committee adjourned.]

MINUTES

WEDNESDAY, MAY 13, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session in the committee room, F-53, Capitol, at 2:40 p.m.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Long, Lausche, Church, Aiken, and Carlson.

Witnesses were James Rand, president, Rand Development Corp., Cleveland, accompanied by George Bookbinder.

Following the conclusion of their testimony, the chairman stated that the business before the committee was the nomination of C. Douglas Dillon to be Under Secretary of State.

Senator Aiken moved, seconded by Senator Sparkman, that the nomination be reported favorably.

Following discussion, Senator Long moved to postpone voting on the first motion for a week, and on this substitute, the chairman directed the roll to be called.

The following Senators answered to their names:

Yeas	*Nays*
Senator Humphrey	Senator Green
Senator Mansfield	Senator Sparkman
Senator Long	Senator Kennedy (by proxy)
Senator Church	Senator Lausche
	Senator Hickenlooper (by proxy)
	Senator Langer (by proxy)
	Senator Aiken
	Senator Capehart (by proxy)
	Senator Carlson
	The Chairman

And so the motion by Senator Long was lost, 10 Nays to four Yeas.

The motion then recurring on reporting the nomination, those present answered as follows:

Yeas	*Nays*
Senator Green	Senator Long
Senator Sparkman	
Senator Humphrey	
Senator Mansfield	
Senator Morse (by proxy)	
Senator Kennedy (by proxy)	
Senator Gore (by proxy)	
Senator Lausche	
Senator Church	
Senator Wiley (by proxy)	
Senator Hickenlooper (by proxy)	
Senator Langer (by proxy)	
Senator Aiken	
Senator Capehart (by proxy)	
Senator Carlson	
The Chairman	

And so the motion to report Mr. Dillon's nomination favorably was approved, 16 yeas to one nay.

On motion by Senator Mansfield, seconded by Senator Sparkman, the committee, on voice vote, approved for report the nomination of Harold M. Randall to be the U.S. Representative to the 8th Session of the Economic and Social Council of the U.N.

On motion by Senator Humphrey, seconded by Senator Mansfield, the committee on voice vote approved for report the nomination of Mark A. May to the Advisory Commission on Information.

On motion by Senator Humphrey, the committee unanimously approved the nomination of Lewis W. Douglas, to the Advisory Commission on Information.

On motion by Senator Mansfield, seconded by Senator Aiken, the committee by unanimous voice vote approved for report the bill (S. 1877), "Redesignating the position of the third ranking official in the Department of State and vesting in the Secretary of State authorities now vested in the Under Secretary of State for Economic Affairs."

For record of the proceedings, see the official transcript.

[There being no further business, the committee adjourned at 5 p.m.]

MINUTES

THURSDAY, MAY 14, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:15 a.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, Senators Mansfield, Lausche, Church, Aiken, and Carlson.

Roy R. Rubottom, Jr., Assistant Secretary of State for Inter-American Affairs, accompanied by others, testified on the MSP in Latin America.

[At the conclusion of his presentation, the committee recessed at 12:15 p.m. until 2:30 p.m. the same day.]

Afternoon Session

The committee reconvened in executive session at 2:30 p.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, Senators Green, Humphrey, Morse, Lausche, Aiken, and Carlson.

William M. Rountree, Assistant Secretary of State for Near Eastern and South Asian Affairs, accompanied by others, testified on the MSP in those areas.

For record of proceedings, see the official transcript and published text.

[Following his presentation, the committee adjourned at 6:40 p.m.]

MINUTES

FRIDAY, MAY 15, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:10 a.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, Senators Green, Mansfield, Lausche, and Carlson.

Charles H. Shuff, Deputy Assistant Secretary for Military Assistance Programs, Department of Defense, appeared on military assistance matters in the MSP.

For record of proceedings, see the official transcript and published text.

[At the conclusion of his testimony, the committee adjourned at 11:50 a.m.]

MINUTES

FRIDAY, MAY 15, 1959

United States Senate,
Subcommittee on Economic and Social Policy Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session in room F–53, at 4:15 p.m.

Present: Chairman Long, Senators Green and Aiken.

Leonard J. Saccio, Deputy Director of the ICA, accompanied by Leland Barrows, Regional Director for Near East and South Asia Operations, ICA, appeared and testified on the program assistance to Greece.

For record of the proceedings, see the official transcript and published text.

[At the conclusion of their testimony, the subcommittee adjourned at 5:55 p.m.]

MINUTES

MONDAY, MAY 18, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10 a.m. in the committee room, F-53, Capitol.

Present: Chairman Fulbright, Senators Sparkman, Mansfield, Morse, Wiley, Aiken, and Carlson.

William H. Draper, Jr., chairman, The President's Committee to Study the U.S. Military Assistance Program, appeared and testified on findings of the committee relating to the MSP.

He was followed by James P. Grant, Deputy Director for Program and Planning, ICA, who spoke on certain country programs in the MSP.

For record of the proceedings, see the official transcript and published text.

[At the conclusion of his presentation, the committee adjourned at 1:25 p.m.]

MINUTES

MONDAY, MAY 18, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON AMERICAN REPUBLICS AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met in executive session in room F–63 at 4:15 p.m., in the Capitol.

Present: Chairman Morse, Senators Sparkman and Aiken.

The subcommittee discussed general subjects relative to Latin America and proposed contracts for studies of the U.S. foreign policy in this area.

No transcript of the meeting was kept.

MINUTES

WEDNESDAY, MAY 20, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10 a.m. in the committee room, F–53, Capitol.

Present: Senators Sparkman (presiding), Mansfield, Kennedy, Lausche, Wiley, Aiken, and Carlson.

Leonard Saccio, Acting Director, International Cooperation Administration, appeared and testified generally on the ICA. He was followed by James P. Grant, Deputy Director for Program and Planning of the ICA.

[At the conclusion of their testimony, the committee recessed at 12:40 p.m. until 2:30 p.m. the same day.]

AFTERNOON SESSION

The committee reconvened at 2:30 p.m. in the committee room, F–53, Capitol, in executive session.

Present: Senators Sparkman (presiding), Mansfield, Long, Langer, Aiken, and Carlson.

H. Alexander Smith, former U.S. Senator, and consultant to the Secretary of State, reported on general world conditions, and the MSP.

For record of the proceedings, see the official transcripts and published text.

[Following his presentation, the committee adjourned at 4:05 p.m.]

MINUTES

MONDAY, MAY 25, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10 a.m. in the committee room, F-53, Capitol.

Present: Chairman Fulbright, Senators Kennedy, Lausche, Church, Capehart, and Carlson.

The chairman expressed regret at the death of John Foster Dulles. Senator Capehart suggested that an appropriate resolution be sent to the Secretary's family, and this was ordered by unanimous consent.

Senator Carlson expressed appreciation to the chairman for his patience and handling of the previous meetings on the MSP.

C. Douglas Dillon, Under Secretary of State, accompanied by Dempster McIntosh, Managing Director, Development Loan Fund, appeared on the operations of the DLF.

For record of proceedings, see the official transcript and published text.

[The committee adjourned at 12:05 p.m.]

MINUTES

TUESDAY, MAY 26, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee continued in executive session in room 4219, New Senate Office Building, at 11:50 a.m.

Present: Chairman Fulbright, Senators Green, Sparkman, Morse, Long, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, Capehart, and Carlson.

The committee, by unanimous voice votes, approved for report the nominations of J. Graham Parsons, John Cabot, and John M. Raymond, the last having been nominated as U.S. Representative to the U.N. Commission on Permanent Sovereignty over Natural Wealth and Resources.

The chairman announced the next order of business as the nomination of Ogden Rogers Reid to be Ambassador to Israel.

Senator Morse moved the nomination be approved for report. Senator Hickenlooper seconded such motion.

Senator Church explained that since he had been absent during the hearings on Mr. Reid and had not had opportunity to read the record, he was going to withhold his vote.

The chairman directed the clerk to call the roll, and the Senators present responded as follows:

Yeas	*Nays*
Senator Humphrey (by proxy)	Senator Green
Senator Morse	Senator Kennedy
Senator Gore	Senator Long
Senator Lausche	The Chairman
Senator Wiley	
Senator Hickenlooper	
Senator Langer	
Senator Aiken	
Senator Capehart	
Senator Carlson	

Mr. Church and Mr. Sparkman passed on the call.

Accordingly, the chairman announced that there having been 10 yeas, and 4 nays, the motion to report the nomination of Mr. Reid favorably had been agreed to.

The committee then approved routine nominations in the Foreign Service without objection.

The chairman announced that transportation would be provided for those wishing to attend the funeral of John Foster Dulles the next morning. An inquiry by Senator Sparkman if the committee was supposed to go as a committee was answered in the negative.

Senator Morse raised, as a question of personal privilege a story appearing in the Christian Science Monitor during the committee hearing on Secretary Herter's nomination to be Secretary of State, dated April 25, which read in part:

"For some unexplained reason, Senator Morse had hooked up his own wire recording device to take down his own fairly frank and forthright exchange with Mr. Herter, but if he hoped to have something on tape to embarrass the prospective Secretary, he has failed totally."

This passage having appeared in Oregon newspapers, Senator Morse protested that it was a matter of consequence, and that he had been accused of unethical conduct.

It was pointed out that the device in front of Senator Morse was a network microphone and recorder, and that TV and radio technicians were present.

Senator Long then moved that it be the consensus of the committee that there was no improper activity of any sort on the part of the Senator from Oregon, Mr Morse. This was seconded by Senator Aiken, and on putting the question the chairman announced that the motion had carried unanimously.

The Chief of Staff read a resolution expressing the committee's sympathy to the family of John Foster Dulles, which was approved on motion by Senator Morse, seconded by Senator Capehart. It was ordered that the resolution be placed in the Congressional Record, and that an engraved copy be made for all the committee members to sign.

For record of the proceedings, see the official transcript.

[The session was concluded at 12:12 p.m.]

MINUTES

THURSDAY, MAY 28, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 4:30 p.m. in room F-63 in executive session, in the Capitol.

Present: Chairman Morse, Senators Hickenlooper and Capehart.

Ambassador Philip Bonsal, accompanied by Robert A. Stevenson of the Department of State, briefed the subcommittee on the situation in Cuba.

No transcript of the meeting was kept.

MINUTES

TUESDAY, JUNE 2, 1959

United States Senate,
Subcommittee on Near Eastern and South Asian
Affairs of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 3 p.m. in room F–63, Capitol.

Presiding: Senator Sparkman.

An informal discussion was held by the Senator and staff with Emil Bustani, M.P. of Lebanon.

No transcript of the discussion was kept.

MINUTES

TUESDAY, JUNE 2, 1959

UNITED STATES SENATE,
SUBCOMMITTEE OF AMERICAN REPUBLICS AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met in room F-63, Capitol, at 4 p.m. in executive session.

Present: Chairman Morse, Senators Sparkman and Hickenlooper.

Roy Rubottom, Assistant Secretary for Inter-American Affairs, Department of State, briefed the subcommittee on Latin American matters.

No transcript of the meeting was kept.

MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

[EDITOR'S NOTE.—On March 13, President Eisenhower presented Congress with a $3.9 billion foreign aid program and called for its passage without change, citing the persistent and growing military and economic offensives of the Soviet Union. Over 60 percent of his Mutual Security requests would go to military aid, largely to such U.S. allies as Formosa, South Korea, South Vietnam, and Turkey. Opposition in the Senate divided into two groups. One, led by Chairman Fulbright of the Foreign Relations Committee, called for reducing military aid and increasing development assistance. Another group, led by Senator Allen Ellender of the Appropriations Committee, called for substantial cuts in the entire mutual aid program.

Citing the "absence of leadership on the part of the President," Senator Fulbright introduced his own foreign aid proposals, most notably a 5-year grant to the Development Loan Fund of $1.5 billion a year. On June 22 the Foreign Relations Committee reported a Mutual Security bill which incorporated Fulbright's proposal, but reduced the amount to $1 billion a year. In a procedural debate on the Senate floor to strike the motion as an appropriation in an authorization bill, the Democratic leadership reached a compromise, which the Senate accepted, appropriating $750 million to the DLF in 1960 and $1.25 billion in 1961. The Senate also accepted an amendment by Senator Ellender cutting back on military aid in the bill.

The House passed H.R. 7500 on June 18 by a vote of 271 to 142, while the Senate passed S. 1451 by a vote of 65 to 26 on July 8. The conference version was adopted by both Houses on July 22 and signed into law by President Eisenhower as Public Law 86–108.]

WEDNESDAY, JUNE 3, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, at 10:40 a.m., in the committee room, United States Capitol Building, Hon. J. William Fubright (chairman) presiding.

Present: Chairman Fulbright, Senators Mansfield, Morse, Gore, Lausche, Church, Hickenlooper, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

[The committee first discussed procedures by which it might obtain additional information concerning the nomination of J. Graham Parsons to be Assistant Secretary of State.]

The CHAIRMAN. We will have to continue. I have one or two points for the consideration of the committee.

This is the Senate bill that we are marking up. The House bill is not yet before the Senate. However, the staff has indicated the House amendments in the committee print.

I would suggest merely as a matter of strategy that it probably would be best not to include the House amendments simply in order to give a freedom of action in the future, even though we might be inclined that way, so that we can have a complete study. We can always agree to them later if we want to. If we agree to them now, as you know, it forecloses them.

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[1] See Appendix B.

The House, I am informed, expects to debate this next week and probably pass it then. Our experience would indicate that rather than argue about or consider in the early stages the amount that is left, we pass over those and use them at the end in view of the action of the House and further consideration. There is a great deal that can be done without doing that, and it only delays that substantially.

The President's reply to the letter with regard to the Development Loan Fund has not arrived, but the staff liaison with the White House indicates that it should come today or tomorrow.

Are there any other questions about how to proceed?

It is like a unanimous consent calendar. Everything is agreed to unanimously to clear out the underbrush, so to speak, of the unopposed sections, and then we reserve whatever anybody wishes to come back to on amounts.

Is that agreeable with the committee?

[No response.]

The **Chairman.** Mr. Marcy, I think the usual procedure is for you to go through this and point out the changes.

FORMAT OF COMPARATIVE PRINT

Mr. **Marcy.** I might just note that the money differences are on page 1, but I take it that will be passed over for the time being. So every time we come to a money figure in the bill, it can be ignored and we can come back and work on the amounts later on.

If you will turn to pages 4 and 5, I call your attention that the four columns on pages 4 and 5 need to be read together. I think the best way to read them is to start at the far side, that is, with column 5 on page 5, the complete right column. In this case it is an amendment offered by Senators Fulbright, Humphrey, and others.

The amendments offered by members of the committee will always appear in the right column. Also, that column will contain the amendments which the House bill has incorporated.

The next column coming left, the number marked S. 1451, is the Senate bill which is actually before the committee.

The reason it is blank on this page is because the Fulbright amendment actually comes after the section which appears on the previous page.

Then coming one column further left where it says "Section-by-Section Analysis of S. 1451," you will find that column is used to set forth the executive branch position on the amendment. So using this now, if you take the Fulbright amendment from the right column, you will see that the principal effect of the Fulbright amendment is to add a new paragraph 1, starting out "The Congress of the United States perceives the identity of interest which exists between the people of the United States and the peoples of other lands who are striving to free themselves," et cetera. That incorporates——

Senator **Lausche.** How do you identify paragraph 1 as a new one? It isn't italicized or in brackets. Is there any way——

Mr. **Marcy.** No, sir, there is no way to identify that.

Senator Lausche. All right.

Mr. Marcy. But that is the new element, that new paragraph marked No. 1. You can apply the executive branch comment to that by coming over to the left and you will see "The executive branch wholeheartedly supports the substance of paragraph (1) of the new subsection . . . The executive branch does not believe it either desirable or valid to establish the complete separation between the purposes of military and economic assistance which is effected by the final sentences of subparagraphs (1) and (2)," so they recommend that on the Fulbright amendment the last sentence of the paragraph numbered 1 be eliminated, and the last sentence of paragraph numbered 2 be eliminated.

Senator Hickenlooper. Which sentence is that on paragraph 2, is that on page 7?

Mr. Marcy. I beg your pardon?

The Chairman. Is that 2(d), or what?

Senator Hickenlooper. Where do you find the last paragraph of 2?

Senator Capehart. Do you have an explanation of what this Fulbright amendment does?

Mr. Marcy. I might read it——

Senator Lausche. Let us first, if I may, Senator, get an explanation of how we shall follow this.

Mr. Marcy. All right.

In the complete left column is the law as it now exists. The law as it now exists will be amended by S. 1451, but inasmuch as the Fulbright amendment, taking an example here, has not been incorporated yet in S. 1451, it does not show over in this column.

Senator Lausche. In the first column?

THE FULBRIGHT AMENDMENT

Mr. Marcy. In the first column, that is right. But what the Fulbright amendment does is to rewrite the statement of policy which appears over in the complete left column; in other words, as of now, in the left column on page 4 this is the statement of policy.

Now, what the Fulbright amendment does is to start out this statement of policy with a new statement. If you will look over at the right column now, it says, "Statement of Policy.—(a) Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation of Greece and Turkey, helped Europe recover from the wounds of World War II, supported defensive military preparations by nations alerted by Communist aggression in Korea, and has soundly begun to help peoples of economically undeveloped areas to develop their resources and improve their living standards."

That new language is language which would be added by the Fulbright amendment, and is a statement of the kind of things the law has done in the past.

I might note——

Senator Hickenlooper. Would that statement on page 5, Section 2(a), substitute for Section 2(a) on the left-hand column of page 4?

Mr. Marcy. Not quite, Senator. It would be inserted after the words, "Statement of Policy."

Senator Hickenlooper. Where would it tie in?

Mr. MARCY. And the language on the left column of page 4, "Statement of Policy. The Congress of the United States recognizing," et cetera, that is picked up in the new subparagraph 2.

Senator HICKENLOOPER. I see.

Mr. MARCY. In other words, what the Fulbright amendment does is to leave intact the present statement of policy and adds to it paragraphs—the new Fulbright paragraphs on the right page, that is, section 2, subparagraph 1.

This is going to be the most difficult one to explain.

Senator LAUSCHE. Is all of the material on the right-hand column of page 5 new?

Mr. MARCY. Yes.

Senator LAUSCHE. That is all new.

Mr. MARCY. That is all new—no, I beg your pardon. Show the Senator, George.

STATEMENT OF POLICY

Senator HICKENLOOPER. Let me get this straight, if I can.

On page 4, the left-hand column starts out, "Statement of Policy." On page 5 the Fulbright amendment would substitute for that, or would place in front of that, "Sec. 2. Statement of Policy,—(a)" beginning "Through programs of assistance authorized," and so on. Would that be substituted for the present Section 2?

Mr. MARCY. No, not substituted; inserted ahead of it.

The CHAIRMAN. Ahead of it.

Senator LAUSCHE. It is new.

Senator HICKENLOOPER. So all of the Fulbright amendment beginning "Sec. 2. Statement of Policy," down through (1) under (b) would be ahead of the present statement of policy on the left-hand side of column 4, is that correct?

Mr. MARCY. That is correct.

Senator HICKENLOOPER. Then you pick up that statement, in the main, as (2) in the Fulbright amendment.

Mr. MARCY. That is correct.

Senator HICKENLOOPER. All right.

Mr. MARCY. In other words, if the Fulbright amendment is adopted, the statement of policy will read completely as is appears in the right column on page 5 and continuing over on page 7.

The CHAIRMAN. It incorporates within it all that was existing already there, so it is a substitute which merely adds additional language.

Senator LAUSCHE. It doesn't delete anything from that?

Mr. MARCY. No, sir.

The CHAIRMAN. It doesn't delete; it adds it.

PURPOSE OF FULBRIGHT AMENDMENT

The purpose of this is simply to try to begin to emphasize the independence of these countries, their own prosperity and viability, if you like, rather than purely defensive against communism. That is all it is. It is purely a statement of policy, and if it has value, it is a value of a propaganda kind, that is, of a non-tangible kind. It has no effect that I see upon the actual material aspects of the program. It is simply a suggestion which has been discussed in various circles for some time to give this a little different emphasis, to try to emphasize "We are trying to help you become an independent, self-governing country," rather than that our one great objective is to thwart communism. Those are not inconsistent.

GREECE AND TURKEY: THWARTING COMMUNISM

Senator HICKENLOOPER. Let me ask this, Senator: Why are Greece and Turkey the only two countries that are mentioned here, with the exception of Korea? I mean, what is the reason for mentioning just those particular countries?

The CHAIRMAN. Well, for being an outstanding success in thwarting Communist intimidation. I don't know that we mention Korea.

Mr. MARCY. I might interrupt there to say that the executive branch comment which appears in column 2 on page 4 states:

". . . the Executive Branch does not believe it appropriate for the statement of policy to include a recitation of the past accomplishments of the Mutual Security Program which is made in the new subsection (a). Such a recital, while desirable and advantageous in other contexts, serves no statutory purpose. Accordingly . . ."; accordingly they recommend that that subsection be omitted.

The CHAIRMAN. You mean (a)?

Mr. MARCY. Yes, sir, (a).

The CHAIRMAN. I don't think that it adds a great deal other than calling attention to one successful operation. Sometimes people, the opponents, feel this whole thing is a rat-hole operation and never does any good. At least in the case of Greece and Turkey, I think even the blindest can see we did keep them from going Communist, at least on a plus side; that is its only purpose.

Senator HICKENLOOPER. The only point I raise is that I don't disagree with the truth of the matter, but why not mention Italy? I think we had a lot to do with keeping Italy from going Communist.

The CHAIRMAN. I would agree.

Senator HICKENLOOPER. Why not mention Vietnam?

The CHAIRMAN. I think that the administration's objection is well taken. If you start mentioning them all it becomes unmanageable. If this doesn't have a flavor and you get that feeling, I have no objection to taking it out. I was merely trying to explain the reason it was put in there was to call attention to one or two successful aspects of it.

Senator HICKENLOOPER. I would have no objection to making a generalized reference to it, but if you start picking and choosing countries, there are so many.

The CHAIRMAN. This is intangible. I guess it is a matter of how it affects you and how you feel about it.

This is not the type of thing about which I would feel absolutely certain this is the only way to do it. It could well be, and I wouldn't want to argue about it. And if the committee feels it should either delete or change that in accordance with the administration's suggestion—I think if we undertake to mention every single one then it becomes so long that it becomes burdensome and boring to put everybody in.

These were rather dramatic, Bourke, and they were the first two. That is the only reason.

Senator **Hickenlooper.** As I say, I don't disagree with the truth of the statement, but I do think there are other countries that have been helped.

The **Chairman.** I agree with you.

Senator **Hickenlooper.** I just wonder about the desirability of mentioning three particular countries. I would have no personal objection, as I see it now, to a generalized statement that we helped thwart communism in many countries.

A GENERAL REFERENCE

Senator **Morse.** Along that line, may I make a suggestion?

The **Chairman.** Yes.

Senator **Morse.** I think it is desirable for us to make some reference, even though it may be general reference. I would like to suggest this language, or similar language:

"Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation in many countries of the world, helped Europe recover from the wounds of World War II, supported defensive military preparations by nations alerted by Communist aggression, and has soundly begun to help," and so on.

Senator **Lausche.** That eliminates identity of nations but covers general objective and achievement.

The **Chairman.** How does that strike other members?

Senator **Lausche.** The other alternative would be to include them all.

The **Chairman.** That takes too long.

What do you think of that?

Senator **Hickenlooper.** I haven't talked to anybody about this, and I don't know whether the State Department may have some valid arguments they could raise against this. I just don't know. But at the outset, a generalized statement would suit me all right.

The **Chairman.** Let me say this: Before we finish this, undoubtedly the State Department will have an opportunity to review it.

Senator **Hickenlooper.** If they have objections I would like to listen to them.

The **Chairman.** They will have an opportunity, whether there are any serious objections or not.

Senator **Hickenlooper.** At the moment that generalized statement would meet any objections I have.

The **Chairman.** Is that agreeable?

Did you get the suggestion?

Mr. **Marcy.** Yes.

The **Chairman.** I see no objection. Is there any comment on that? Are there any other changes in that which would be suggested?

Mr. **Marcy.** The administration suggests two other changes in the middle of subparagraph (1) where it says, "and to establish responsible governments which cooperate with like-minded governments."

THE DESIRABILITY OF ESTABLISHING INDEPENDENT GOVERNMENTS

The administration suggests that that might read, "to establish and develop politically independent and economically viable units."

I say this is a coordinated ICA-State Department position.

The **Chairman**. I see no objection to that.

Any objections?

Senator **Hickenlooper**. I think that suggestion probably would meet our policies a little better than the language that is in there now. I don't conceive our policy to be a policy of setting up like-minded governments in the world. I see our policy as being one of developing governments which have the right to determine their own affairs. That may not be "like-minded," but if it is a matter of basic self-determination it seems to me that answers our policy.

Senator **Carlson**. It seems to me the suggested language takes care of your suggestion, "to establish and develop politically independent and economically viable units." They are politically independent.

Senator **Hickenlooper**. That would suit me better, because I think we too often make the mistake of giving the impression abroad that we are trying to create governments in our own image, trying to establish governments with our particular type of basic approach. What we want is the right of people to determine, as against an autocracy——

The **Chairman**. That is correct.

Senator **Hickenlooper** [continuing]. Imposing government from the top.

The **Chairman**. That is what we are trying to say here.

Senator **Hickenlooper**. I think the suggested language probably meets that better than this does.

The **Chairman**. I think it does.

Is there any further discussion on that? I think that is proper.

DEFENSE SUPPORT AND MILITARY ASSISTANCE

Senator **Carlson**. I notice the Department does make another suggestion in the concluding paragraph on page 4, right-hand column there. It says: "In the event the committee decides to adopt this amendment, the defense support should clearly be placed in the economic assistance category rather than in the military assistance category after the approval of the amendment."

I don't know whether it should or should not, but that is their suggested amendment.

The **Chairman**. I don't quite understand that suggestion.

Senator **Carlson**. I don't know either, and that is why I didn't comment on it.

The **Chairman**. What do they mean by that, Carl?

Mr. **Marcy**. George, do you know what they mean by that?

Mr. **Denney**. Yes. At the end of the page No. 1, you find this sentence:

"Programs authorized by Titles II, III, IV and V of Chapter 2 and Chapter 3 shall be primarily directed toward the purpose of this paragraph."

That is, toward economic development, and so on. The executive branch thinks it would be more appropriate to add their Chapter 1(f), rather than put there the proper designation for defense support and eliminate the defense support from the last sentence of the second paragraph which begins at the bottom of the page. "Programs authorized by Chapter 1 and Title I of Chapter 2 shall be primarily directed toward the purposes of this paragraph," which is the military paragraph. They would propose taking the defense support designation and putting it up above, on the ground that it is more like economic aid in nature than it is military aid.

Senator **Lausche**. In subparagraph marked (1), is military aid excluded as one of the authorized titles to achieve the purpose?

Mr. **Denney**. It is excluded.

Senator **Lausche**. Which are excluded under paragraph (1) military aid?

Mr. **Denney**. Military aid and defense support.

Senator **Lausche**. Are they both excluded?

Mr. **Denney**. Both excluded.

Senator **Lausche**. And does the State Department recommend that we include defense support and not military aid?

Mr. **Denney**. That is correct.

Senator **Lausche**. All right.

The **Chairman**. That is found in the designation of titles, Title I——

ECONOMIC AND MILITARY SUPPORT

Mr. **Marcy**. I might just say, Senator, if you eliminate the last two sentences of paragraph (1). I mean, eliminate programs authorized by titles and so on, "shall be primarily directed toward the purposes of this paragraph," if you eliminate the last sentence in the subparagraph (2), you accomplish this purpose and you are also consistent with another recommendation which they make, and that is in some cases economic support may contribute to a defense purpose and in some cases military support may in effect contribute to an economic purpose, so if those last two sentences were left off this problem would not arise, and it would be consistent with their recommendation.

The **Chairman**. Is there any objection to that procedure?

Senator **Lausche**. Mr. Chairman, do we meet the objection of the executive branch set forth in this statement, "just as much as economic assistance, military assistance is designed to promote the foreign policy, security and general welfare of the United States." Do we meet that objection?

Mr. **Marcy**. Yes, sir, we meet that by taking off the last two sentences.

The **Chairman**. Is that agreeable?

Without objection, those two sentences will be deleted.

Senator **Gore**. Mr. Chairman?

The **Chairman**. The Senator from Tennessee.

Senator **Gore**. One of the technical things. As a former teacher, I think you need a comma after "the United States," in the first sentence of the subparagraph (2).

The **Chairman**. Without objection, the comma will be inserted there.

Mr. **Marcy**. You can make some other good changes. I think that instead of "recognizing" you could say "recognizes," and at the end of the sentence have "Congress declares it to be the policy". We would be glad to try a little redrafting on that.

Senator **Gore**. I think the sentence is too long.

The **Chairman**. I think it is, too. Will you take care of that?

Mr. **Marcy**. Yes.

The **Chairman**. All right. What is the next?

Mr. **Marcy**. The next one, then, is on page 7, the middle of the page, where Senator Fulbright proposes the following amendment, and I am now looking on page 7, the right-hand column. This amendment would add to the statement of policy this new sentence:

"To this end, assistance shall be rendered in such a way so as to promote"——

Senator HICKENLOOPER. Wait a minute—I see it. I hadn't located it.

Mr. MARCY. Let me go back. I will read the sentence which now exists in the act, which you will find on page 4 in the left column, (c), where it says:

"It is the sense of the Congress," et cetera, and I will read that sentence and the Fulbright sentence will come in at the end so the whole thing will read:

ASSISTING PEOPLES TO ACHIEVE SELF-GOVERNMENT

"It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their effort to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence."

The Fulbright amendment:

"To this end, assistance shall be rendered in such a way as to promote the emergence of political units which are economically viable, either alone or in cooperation with neighboring units."

I call your attention to the fact that the administration agrees that this endorses the concept of the amendment. They suggest, however, that it be amended by insertion of a phrase after the word "rendered" so it would read, "To this end, assistance shall be rendered where appropriate and feasible in such a way as to promote . . ."

The executive branch comment is in the right column on page 6.

The CHAIRMAN. What I had in mind is to encourage very poor and small emerging countries in Africa to try to federate to create a viable country. We had testimony about Somaliland, Dahomy, and others that, when they become independent, clearly will not survive unless they have continuing aid or merge with one of their neighbors. It is to try to encourage the tendency, as exhibited between Ghana and Guinea, to join together and create a country strong enough to survive, that is about all it is.

Whether it means much, I don't know; it is only a statement of hope.

Senator CHURCH. Mr. Chairman, I don't see that the language recommended by the administration adds anything.

Senator HICKENLOOPER. I think it saves the whole sentence.

The CHAIRMAN. "Where appropriate and feasible."

Senator CHURCH. I assume that would naturally follow.

The CHAIRMAN. That is what anyone with reasonable approach would interpret that to mean. You can't possibly do it——

Senator CHURCH. It is implicit.

The CHAIRMAN. I think it is implicit.

Senator HICKENLOOPER. It is pretty mandatory; it "shall be rendered."

Senator CHURCH. I assume that means that it should not be rendered where it is not feasible.

Senator HICKENLOOPER. If that is what it means, then the addition of this qualifying phrase doesn't hurt anything.

The **Chairman**. That is right. If there should be people in the administration who are so blind that they couldn't interpret it to mean that, I have no objection to putting it in, so it is all right with me. I can't imagine anyone interpreting it as to do it regardless of its feasibility.

I don't know that it adds anything at all. These are ideas I throw out, that come to you either on your own or indirectly. The idea of encouraging federations among these weak and struggling countries is a good one. That is all this is. Whether it adds anything or will mean anything, I don't know. I doubt it. We tried to do it in the original Marshall Plan. I argued week after week that we ought to couple the Marshall Plan with the federation of Western Europe, and the administration then opposed it. Secretary Acheson said that was asking too much of them and we shouldn't do it. Well, I happened to think it was a mistake not to do it.

Anyway, it wasn't done, and it is past history. I don't know if it would have done any good. That is all this idea means.

PURPOSE OF QUALIFYING LANGUAGE

Senator **Lausche**. I think what they have in mind is that without this, the language could be interpreted to mean that with this, assistance could be rendered so as to promote the emergence of political units, whether Communist or otherwise, which are economically viable, and they don't believe that would be appropriate. Therefore they want the qualifying language that it shall only be rendered when it is appropriate and feasible.

The **Chairman**. I have no objection to it. I think it is all right. Whether the whole statement means a lot or is just a hope, a direction, guidance to the administration to try to persuade these people—particularly we had in mind Africa, that wouldn't for goodness' sake try—who are coming out of this colonialism and so on, to create a country that is able to stand on its own feet and has a reasonable economic basis.

In fact there ought to be two or three, in my opinion— not more than that—common markets there of which they are all a member. I can't imagine all of these countries are going to survive. They have to be members of larger economic units. I think we ought to try to help them do that.

We tried to help Europe and we have a common market. We ought to try Latin America. I think the whole thing ought to be a common market without tariffs, and so on. That is all this is intended to do. Of course, it won't achieve it. It is just a pious hope that they will administer it in that fashion.

But with that amendment, what does the committee think of it?

Senator **Lausche**. I propose it be accepted.

The **Chairman**. Any objection?

[No response.]

The **Chairman**. Without objection, it is adopted with the amendment suggested by the administration.

All right, Mr. Marcy, let's go.

Mr. **Marcy**. I call your attention to an amendment on that same page, the statement of policy. This is language in the House bill which the administration favors.

In accordance with what the chairman said earlier, as a matter of strategy it might be a good idea not to adopt this kind of thing so that you can talk it over with the House, or in case there is anything inconsistent in this with anything in the bill.

That is the language in the right-hand column, page 7. I am not using the insert yet. This is the language at the bottom of the right-hand column on page 7. It would insert in the statement of policy this language:

"It is the sense of Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the diginity and interdependence of man; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom."

The **Chairman.** Any discussion?

Senator **Gore.** I don't much like that "of expanded freedom." Why don't you leave out "of expanded"?

Senator **Lausche.** Are you proposing to insert the House language, or do you suggest that we leave it pending?

Mr. **Marcy.** The chairman suggested earlier that——

CONFERENCE STRATEGY

The **Chairman.** I have in mind that we leave them out. We can always take them in conference and it gives us a little more freedom of action, a little bit of trading, and that sort of thing.

For the benefit of the new members, in all conferences there is a terrific feeling that if we give one point, you give another, regardless of the value and the significance of the points. And it is well to go into it, if you expect to maintain your own position, with as many of these little points that you can give them as possible.

I would suggest that it would be better to leave it out and then when we get into conference, if they want it bad they can take it.

Senator **Lausche.** Senator Gore's suggestion is just as valid later as now.

The **Chairman.** That is right.

Senator **Hickenlooper.** I agree with you.

Senator **Gore.** ". . . in a worldwide atmosphere of freedom." Why expand it?

Senator **Hickenlooper.** I agree with it.

The **Chairman.** Overstatement is a common fault.

Without objection, we will leave it out and we can always accept it.

Mr. **Marcy.** There is also a little insert of this same kind which could be passed on the same principle. It is another House amendment which makes a simple statement that the United States has an abiding interest in assisting the people of the world to realize their aspirations in the world, to improve their living standards. This was somewhat along the lines of the full committee amendment passed earlier.

THE DIGNITY AND INTERDEPENDENCE OF MAN

Senator **Morse.** I am not going to press it at all, Mr. Chairman, because I think it probably should be reserved for discussion of the Humphrey amendment to the World Court resolution when we get to it. But I only throw out for suggestion that if we subsequently include such language in here as this proposal of the House, stating that the peace of the world depends on wider recognition of the principle and practice, of the dignity and interdependence of man, we might find some appropriate language to have in reserve for final consideration of the bill in committee. And we could make some reference to Vandenberg's frequent suggestion urging the promotion of a system of international justice through law. I think that has much more to do with preserving peace than general language of the dignity and independence of men.

Senator LAUSCHE. Do you have in mind the World Court, world law?

Senator MORSE. I have in mind the resolution that we already adopted back in 1949 which was based on the Vandenberg principle of a system of international justice through law, and also the jurisdiction of the court. But attached to it is the Connally amendment which Senator Humphrey is going to propose we eliminate this year.

The CHAIRMAN. Are you not proposing we incorporate, though, into this legislation the Humphrey proposal, just a statement consistent with it?

Senator MORSE. Yes. My suggestion merely talks about how are you going to advance the cause of peace; then I think we ought to make some reference to a system of international justice through law. That is going to be one of the major discussions in your parliamentary meetings this summer.

The CHAIRMAN. Well——

Senator MORSE. I wouldn't ask for any further consideration by the committee, but am just suggesting to the staff they draft some language that could be inserted at the appropriate place when considering this House amendment.

The CHAIRMAN. What is the next point?

Mr. MARCY. The next one is at the top of page 9, the Smathers amendment, in the right column.

COMPARISON OF SMATHERS AND FULBRIGHT AMENDMENTS

I suggest that the essence of the Smathers amendment is that of the funds made available for Latin America, $96.5 million, not to exceed $20 million of that amount is to be used for the support of a Western Hemisphere police force.

Now, somewhat related to that Smathers amendment is the Fulbright amendment, which appears at the top of page 13. The essence of the Fulbright amendment is that of the $96.5 million available, not less than 25 percent shall be available only for military programs endorsed by two-thirds of the members of the Organization of American States, and the President shall seek to include in such programs the establishment of an international military force.

I think the difference between the two is that Senator Smathers is talking essentially about a police force within the hemisphere to prevent a country from attacking its neighbors, that kind of thing; whereas the Fulbright amendment is essentially to use the OAS in hemispheric defense.

Senator HICKENLOOPER. No, there is a basic difference between the two further than that. The Smathers amendment is discretionary; the Fulbright amendment is not, as I read it. I am not raising any objection to either but just raising that question. I think one is mandatory and the other is discretionary.

Mr. Marcy. That is right.

The executive branch comments appear on the left of the page there, on page 8, the right column on page 8. They strongly oppose the Smathers amendment, and also the Fulbright amendment.

Senator Lausche. What is the difference between whether not more than $20 million may be used in accordance with the discretion of the President, and not less than 25 percent shall be used?

Senator Hickenlooper. That is the difference.

Senator Lausche. What is 25 percent compared to $20 million?

Senator Hickenlooper. It is 25 percent of $96 million.

Senator Lausche. That would be about $24 million.

Senator Hickenlooper. It would be a difference in money, but the difference I suggested is that one is mandatory; it has to be used, or not at all. The other is that the $20 million may be used in the discretion——

SHOULD ASSISTANCE TO LATIN AMERICA BE DISCONTINUED?

Senator Gore. Mr. Chairman, at the appropriate place and time—I am not sure that this is it—I would like to suggest for the consideration of the committee that all military assistance to South and Central American nations be discontinued, and that instead a hemispheric or Latin American, however you describe it, organization or force be established, be encouraged with our participation and support.

As has already been stressed in the press, we are starting an armament race in South America, and are fostering an armaments program within the programs which their economies can ill afford. I am not sure that it is going to add to the security and freedom of the hemisphere.

I don't want to make an extended statement here, but at the appropriate time and place I want to suggest a fundamental change in this program with respect to this hemisphere.

The Chairman. I will say to the Senator I feel the same way as to the ultimate objective. What bothers me is, how do you move in that direction? How do you get even a step in that direction?

I think that both economically and militarily it is true that these countries, excepting Brazil and possibly Argentina, have not much strength. The rest of them are just tottering. Venezuela, as long as we will take her oil, is economically strong, in a sense, although there is terrible poverty and local mismanagement.

I agree that these countries should be part of a federation, but agreeing what it ought to be and how it is going to be done are two entirely different propositions. I don't know how we should move there.

Senator Hickenlooper. One of the basic troubles is the political situation.

The Chairman. I agree. It is terrible.

Senator Hickenlooper. Are you going to freeze these countries, are you going to freeze what is his name, in the Dominican Republic, and protect that guy with a mutual security pact? Are you going to freeze a dictator, or someone else? Are you going to freeze a Communist in power?

I think the objective is perfectly desirable.

The Chairman. How do you get at it?

Senator Hickenlooper. How are you going to implement it?

The CHAIRMAN. That is what bothers me.

Senator MORSE. That is one we are going to have to spend some time on. It is interesting, we have the Smathers and Fulbright amendments, and on pages 13, 14 and 15 we have the two Morse amendments, and later on we have the two Church amendments. It is very interesting that this point of view would be expressed by this many members of the committee. The Senator from Tennessee suggested the same principle, and you will find it very prevalent when you get this bill to the floor, but you have quite a record in your hearings on it.

DECREASING LATIN AMERICAN AID

I believe we ought to take some step, whatever seems to be fair and reasonable, and I certainly think this year by action, cutting down on this $96 million amount. We ought to prepare Latin America for the fact that we are going to take her off, but we ought to start this year.

Senator CHURCH. Mr. Chairman, may I make a statement?

The CHAIRMAN. Senator Church.

Senator CHURCH. This is just an inquiry to expedite our consideration of this whole problem.

Inasmuch as there are various amendments proposed relating in one way or another to military assistance programs in Latin America, it would be helpful to briefly review all of these to see the nature of the various proposals before we undertake to pass upon any one, so that we will have the various alternatives insofar as they have been proposed before the committee, and then we will have a better opportunity to proceed.

The CHAIRMAN. Are you prepared to do it, Mr. Marcy?

ALTERNATIVE PROPOSALS

Mr. MARCY. I can give you a very quick summary—so far two amendments, one a Western Hemisphere police force, that is the Smathers amendment, and then the 25 percent, using it through the OAS, that is the Fulbright amendment.

On page 11 is the first Church amendment, on page 14 the Morse amendment, and on page 17 the Smathers amendment.

Now, in very rough terms what those do is the following:

THE CHURCH AMENDMENT

The Church amendment reduces the military sum for Latin America by $29.5 million, and makes it $67 million. That, I believe, is the amount which was appropriated last year. In other words, the essence of the Church amendment is that it does not provide for any increase.

Senator CHURCH. The purpose of that amendment is to prohibit any further increase in the program above existing levels of spending this year.

THE MORSE AND SMATHERS AMENDMENTS

Mr. MARCY. Now, then, the Morse amendment, which appears on page 14, reduces the military aid to Latin America to $50 million; in effect it cuts the amount by $46.5 million, and the Smathers amendment would reduce the amount available to $35 million.

So Smathers is the most drastic; Morse is in between; and Church is the least drastic, so far as cuts are concerned.

Senator GORE. Add mine to eliminate all military.

The **CHAIRMAN**. That is the most drastic.

Senator **GORE**. All military assistance to Central and South America and the Caribbean area.

Senator **MORSE**. The Church amendment is on page 17.

Senator **CAPEHART**. Mr. Chairman, may I be heard on this subject?

The **CHAIRMAN**. Let him finish and then I will recognize you.

Senator **LAUSCHE**. Would he mind going over them so that I can make some marginal notations? We began with the Church amendment. What does that do, on what page?

Mr. **MARCY**. The Church amendment, page 11, the middle of the page——

Senator **LAUSCHE**. That would cut the military?

Mr. **MARCY**. I will start out by saying that the full amount the administration wants is $96.5 million.

Senator **LAUSCHE**. Yes.

Mr. **MARCY**. This reduces it to $67 million.

Senator **CHURCH**. Which is the level of current spending in the present year.

Senator **LAUSCHE**. $66.5 million. It reduces the $66.5 million because you say $29.5 million from $96 million.

Senator **CHURCH**. Yes, $96 point something.

Mr. **MARCY**. Yes.

Then the Morse amendment which appears on page 14—I beg your pardon.

Senator **LAUSCHE**. Page 15.

Mr. **MARCY**. At the top of the page, page 15, the amount is reduced from $96.5 million to $50 million.

Then the Smathers amendment——

Senator **CHURCH**. Mr. Marcy, does this also affect a transfer of the savings to economic assistance in some form?

Mr. **MARCY**. Yes, it does.

The **CHAIRMAN**. Smathers does.

Senator **MORSE**. Mine does.

The **CHAIRMAN**. Morse's does.

Mr. **MARCY**. Yes, I beg your pardon.

TRANSFER OF FUNDS

Senator **CHURCH**. Transfer from the military assistance account to the economic account, so the amount of savings is withdrawn from military assistance and added to the special assistance accounts.

Mr. **MARCY**. The special assistance is $46.5 million.

Mr. **DENNEY**. I would like to make a technical observation that under the existing law there is just one authorization for an appropriation worldwide. That is, they are asking for $1.6 billion for the whole world.

Only the Church amendment cuts that worldwide amount by $29.5 million. All of them, however, say that out of whatever is appropriated total worldwide for military assistance, the limit on spending in Latin America for the next fiscal year will be so much.

SHOWING GOOD FAITH

Senator **MORSE**. In explanation of my own amendment, not to interrupt the Senator from Indiana, I want to lessen this situation by demonstrating our good faith and friendly attitude toward the Latin American countries. "We are not going to take any of the total amount of money proposed away from you, but only modify its use. We will let $50 million go to military aid and the rest of it go into economic development." I felt that we ought to give less for military aid this year in order to start tapering it.

I am not married to $50 million, because we could get some other figure; but with somewhat less than what we are presently giving, it would tend to show we are tapering off.

Senator **Capehart**. Mr. Chairman.

The **Chairman**. The Senator from Indiana.

Senator **Capehart**. First let me say this: I think we ought to do something to absolutely 100 percent assure the Latin American countries that we are not going to sit idly by and see one Latin American country attack another, or go into their countries under cover and undermine their governments, whether they be dictatorships or democracies, or whatever.

I think we ought to make it crystal clear to them that we are not going to permit that sort of thing, and in order to do that we ought to have some sort of a police force available for that purpose, contributed to by the United States as well as by each of those countries.

THE IMPORTANCE OF SECURITY ASSURANCES

Second, the Latin American countries are our friends; we need them badly for the defense of the United States, both militarily and economically. Yet we are talking about $1.6 billion of military defense for the world, and many Senators are trying to completely eliminate Latin America. Others want to reduce it from $96 million down to $50 million.

Psychologically it is wrong, because if you lived in one of those countries, I think you would be a little concerned about your safety, and as it is at the moment, those countries feel they have to have an army to protect themselves against their neighbors and against internal troubles; and likewise some of them feel they have to have an army to protect themselves from Russia. I think that is farfetched; nevertheless, they feel that way about it.

Here is $1.6 billion, and to our friends in these countries, so important to the defense of the United States, we are saying, "You shouldn't even have $96 million of the $1.6 billion; you ought not even have $50 million of it."

I think the first step we ought to take is see if we can, in conjunction with them, set up some sort of a police force. Furthermore, I think this committee or our Government ought to make a statement that we are not going to permit one country down there to interfere with another, because it is going on continually every day.

I heard on the radio this morning that there is a boatload of Cubans on the way to Nicaragua. They have ways, as you know, of interfering with each other's governments in internal affairs, and the result is that at the moment those countries are spending money on the military that they ought not to be forced to spend money on, because we have an agreement with them called the Rio Agreement. If one of them is attacked by the other we will go to their rescue.

The trouble is that we sit around and permit the thing to fester like a sore and get into all kinds of trouble before we take any action, if we take any action at all.

THE PSYCHOLOGICAL EFFECT OF AID REDUCTIONS

So I think we are doing psychologically the wrong thing in talking about reducing these people. The psychological effect upon their thinking is bad, and they will say, "What are we, just second-rate nations? Are you more interested in the Far East than you are in us? Are you perfectly willing to give Far Eastern countries $100 million or $200 million, or whatever it is, but when it comes to defending our countries you want to give us less? What is the reasoning behind wanting to treat Latin American countries differently than you do the backward countries of the Far East? What is the reason for it?"

Senator **Gore.** Will the Senator yield?

Senator **Capehart.** I am not asking for my information about it. I am using the term; that is the way they feel about it. That is the psychological effect that it has upon them. There is a job to be done here, believe me, and I think that job is for this Government of ours to take a very positive position, and I am in favor of a police force to implement the Rio Agreement, make it a practical living thing with some physical means of enforcing. And we should get the help of other countries; not all should come from the United States.

Too long now we have in this Congress said by our laws and our actions and our speeches, et cetera, "Mr. Latin America, we like you but we are going to give more help, and have given more help, and we are going to continue to give more help to other countries than we are to you. We are going to treat you a little differently than we do them; why, we can't quite explain."

AN OPPORTUNITY FOR GOOD WILL

But we have an opportunity in this bill to build up a lot of good will and to set Latin American countries straight and its people as to where we do stand, and I think we ought to do it, and we ought to give a lot of thought to a police force.

We can't do it without their consent. We would, I suppose, have to have a resolution for our Government to enter into agreements with them, to see whether they wanted to do it or not, but I think it would be a splendid maneuver on our part if we would offer to become a party to a police force, to maintain the Rio Agreement.

I hate to see us start—I will use this expression for the lack of a better one—shortchanging Latin America, saying to them, "We are not going to give you any money for the military and we don't think you deserve it," because I think they do. I don't like some of their governments, but I don't like some of my neighbors. I don't like some of of the things that go on in my own State, but I am not big enough at the moment to eliminate it because I can't deal with human nature. It is there, and human nature is always and constantly getting itself into trouble.

But I would dislike very much to see us, to use the term again, shortchange these people, or say to them, "We don't think you deserve help and we are going to cut down the $96 million," which is what, 5 percent of the $1.6 billion.

POOR PSYCHOLOGY

I think the psychology is all wrong, particularly in the world today when we know those people have domestic internal trouble. We know other governments are working on others. We have Castro; nobody knows about that fellow, or what he is going to do. We hope he will make a great leader, but I have my fingers crossed and I don't know. How can you, when Castro is down there and you have the Panamanian situation, and now the Nicaraguan situation. How can you say to these other little countries down there, "You ought not to have any military and we are going to reduce you and we are not going to help you." How can you do that? I think psychologically it is all wrong.

I have spent a lot of time in Latin America, and I will have to say this: I never spent too much time on the military aspect of it but on the economic aspect of it. And we have lost much ground down there over the fact we gave billions away to Europe, and loaned them billions, and we gave so little to them. You will never know what effect that has had on the minds of the people of Latin America, believe me. It has had a deep imprint on their minds, and now we are going to do the same thing militarily when the amount is so small, anyway, that I don't think we ought to consider it.

Senator GORE. Mr. Chairman.

The CHAIRMAN. The Senator from Tennessee.

Senator GORE. I had not intended to make a statement at this time, but I would like to ask to briefly respond.

It had been my intention to suggest not that the military assistance to hemispheric neighbors be eliminated or materially reduced, but rather that the entire amount be allocated to a regional authority.

The Senator refers to the boatload of Cubans on the way. Of what benefit will some submarines that we give to Peru be in this instance?

On the other hand, if those forces were under the command of and available to a regional authority, it could be used in that particular instance.

The Senator says that these countries feel they need armies to protect themselves from their neighbors.

Senator CAPEHART. I said they think they need.

Senator GORE. Just one moment.

THE BALANCE OF POWER

That may be, but if we start giving jet planes to one country, then their neighbor must have it, and we make this conflict more devastating, if not more certain. I would really like to see all of it go into an organization of South and Central American countries, and then they could provide protection for one nation against another. But I am not sure that you provide very much protection to Argentina or Chile when you balance the destructive forces out of Uncle Sam's arsenal.

I think it is basic, Senator Capehart. I agree with you that we should not neglect and discriminate against our friends in this hemisphere, but the problems faced by Vietnam and Chile are entirely different. Vietnam is so close that infiltration, ground attack, actual invasion is a danger. But the danger in South and Central America, which is protected by the Monroe doctrine, is not one of invasion, but one of internal overthrow.

I feel quite strongly that we are making a serious mistake in promoting this heavy armaments race between the countries, all of whom are our friends.

Excuse me for going so long, Mr. Chairman.

The **Chairman**. That is all right. This is a very difficult question. As you can see, the administration opposes all of them. I don't know whether we can work anything out or not.

Senator **Lausche**. Mr. Chairman, we probably will not dispose of this today, but I do want to point out at this time that those who are urging this program should be prepared to answer the statement of the administration, and I am reading now from page 8, about the third sentence in the second column from the left:

"Bilateral agreements with each cooperating country provide the most effective means of holding the military grant program to the minimum levels required for collective hemispheric defense. If 21 nations should participate in such decisions through the auspices of the IADB or other regional agency, the desired minimum levels would be far more difficult to maintain. The establishment of an inter-American police or defense force would not result in a net reduction in the funds spent annually by Latin American countries on their armed forces. Most countries would consider the military units which they contributed to such a force, and the funds they expended in support of them, as additive to their present military forces and expenditures."

From my own standpoint, I do think that if you cut this aggregate sum of $96 million down to $50 million, you are giving them $50 million of $1.6 billion, which would be about 3 percent of the total that we are allocating to the world for the maintenance of some military strength, and I think it is somewhat low.

These statements would have to be answered to me before I would subscribe to the proposals that have been made in the amendments.

Senator **Morse**. Mr. Chairman, I agree with the Senator from Ohio that we cannot settle this today. I think we had better have this drawn up in memorandum form for comparison purposes, but I would like to make these few comments very quickly with regard to the discussion of the administration's position.

I would give serious consideration to hemispheric police forces, but I cannot vote for the continuation of our military policy in Latin America because I am convinced it is doing great harm.

DOES LATIN AMERICA WANT MILITARY AID?

I will not accept the assumption that the people of Latin America want it. It is one thing to talk about the present governments of Latin America; it is another thing to talk about the people of Latin America wanting them. I cannot speak for the people, but I express my belief that you will find great divergence of opinion among the people of Latin America who are very much concerned about the military aid we have already given, what it has done to them as a people, and what it has tended to perpetuate regimes that I think have, in effect, played into the hands of Communist infiltration because those regimes in many instances have been so against the people's interests. The march for greater freedom on the part of the Latin American people is on, and we have to face up to it, and I think it is a good thing. I do not think we ought to be playing the role of supplying military assistance that has been too frequently misused to keep down or stymie that march toward freedom.

I never will forget the briefing we had a year ago from those two Chileans from the Chilean Parliament who suggested then that we transfer more of this into economic loans and out of the military because, as you will recall, that Senator said—and I paraphrase him—"What good is done by your military assistance? It is used in too many instances to stir up strife between our countries and in our countries."

It was his suggestion that Canada and the United States and the Latin American countries ought to enter into a hemispheric agreement and understanding for mutual defense in case of attack, either from without the hemisphere or from within the hemisphere. It made a lot of sense to them then, and it does now.

In my judgment there is no showing in the administration's case justifying an increase from some $60 million plus to $96 million this year.

I have studied the record and the recommendation, and I see no justification for that increase.

MILITARY VS. ECONOMIC AID

I do not think you will incur any ill will in Latin America by reducing the military aid and increasing the economic aid, because they know it is by bread they have to live, and not by bullets, and they do not have enough bread.

As to the statements made by the executive branch, I want to say that I will not accept its assumptions. They say it means that a hemispheric program is going to cost more money. Who says so? What proof do they offer?

After all, most of the money is going to come from Uncle Sam, and we have to make very clear to them in any agreement we enter into with them that we are not going to be a party to a budget that adds to what they already have.

When you give them the security of such a compact, you give them the justification for a reduction in their own military expenditures, and an increase in their economic expenditures.

We are in the driver's seat on it, and I think we ought to exercise our leadership.

The administration merely says it is going to be additive and it is going to cost more money. I want to reply to them by asking, "Why do you say that unless we agree to it?" And I am not for agreeing to it. I think if you start this year to reduce what you already gave them, but add the same amount or even more to economic development, you will do much to stem communism in Latin America. You will pull the rug out from under the Communists.

PAST MISUSE OF U.S. AID

You will do much to change an all-to-prevalent feeling that the United States is supporting too frequently with military aid regimes in Latin America that are not for the freedom of the people but for the control of the people.

Gentlemen, you are beginning the discussion here this morning of an issue that will be discussed by me on the floor of the Senate when this bill gets there, because I think that there is strong feeling within the

Senate and within the country that we had better stop supporting militarily the type of regimes that we have been guilty of supporting in Latin America to the detriment of Latin America for too many years in the past.

The CHAIRMAN. Any further discussion at this point?

Senator CAPEHART. I want to just ask this question, if the Senator will yield. What do you mean when you say that we have been supporting types of governments——

Senator MORSE. I do not think there is any question about the fact that the use of our military aid has resulted in strengthening the maintenance of dictatorships in Latin America such as Batista.

Senator CAPEHART. Are you saying that in giving any aide to a country, if they happen to have a bad leader, we are assisting that leader?

Senator MORSE. Sure we are.

Senator CAPEHART. How in the world are you ever going to avoid that?

Senator MORSE. Just stop doing it.

Senator CAPEHART. How do you know until a man becomes a bad leader?

PAST SUPPORT OF BATISTA

Senator MORSE. We knew for a long time what we were doing in maintaining Batista in power. I remember it was in early February 1958——

Senator CAPEHART. How did we maintain Batista?

Senator MORSE. We sent Batista military aid which he used in order to keep down democratic forces in the country.

Senator CAPEHART. Do you say that Castro is a democratic force?

Senator MORSE. No, I am talking about Batista, and it was our hope that Castro would be a different type hombre from what he is. But that does not justify supporting Batista.

Senator CAPEHART. If these are free nations which have a right to run their own countries and they are sovereign nations, how can you ever protect yourself in advance, any more than you could protect yourself in this country against the people electing a bad Senator or Congressman or a bad President?

Senator MORSE. They are not free nations, many of them.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. I would like to just say this about the points that have been made.

The question here, it seems to me, is not whether these South American countries should or should not maintain armed forces. That is up to them. They will maintain armed forces as they see fit.

THE EXTENT OF U.S. SUPPORT

The question is to what extent shall American money be used to support armed forces in these countries.

Here, it seems to me, the American national interest must be considered. There are two legitimate objectives that I can see that would justify the use of American money to support armed forces in Latin America. One would be to promote the hemispheric defense, in which we have an interest, and the other would be in support of some kind of hemispheric police force, possibly under the auspices of the Organization of American States, to prevent the invasion of one or another Latin American country by revolutionary forces from without.

I do not think that the United States, in view of its historical role, can ever put itself in the position of using American money to thwart the will of the people in any country as to the kind of government that is going to control them.

As to the latter objective, the creation of a police force, I am in wholehearted sympathy with the expressions that have been made around the table this morning that the United States ought to look into the possibility of creating such a force through an agreement with these countries, to which we could contribute and to which they would contribute, which would have the effect of preventing armed invasion.

I would favor that, and I think it quite properly ought to be written into this act, although certainly the Congress cannot establish such a program prior to the time that such agreements are entered into by the President.

But we could authorize the use of some portion of these funds for that purpose; the President can make suitable arrangements. I would favor that.

But apart from that, it seems to me that we just ought not to continue to expand the use of American money to provide arms and equipment to the separate Latin American republics in face of the fact that it is the official position of the Government of the United States, borne out by the testimony of the administration, that their military establishments are to be reduced. And yet, although that is our position, we find that in the past 3 years this program has tripled in size.

I agree with the Senator from Oregon that there is grave reason to doubt that this is serving the American interests in any way, and so I think that at the very minimum we ought not to permit the further expansion of that program above present levels.

A HEMISPHERIC POLICE FORCE

At the same time, I think we ought to go forward in an effort to establish some kind of a hemispheric police force, based upon a mutual treaty of some kind with the South and Central American countries.

Senator HICKENLOOPER. We have, Mr. Chairman——

The CHAIRMAN. The Senator from Iowa.

Senator HICKENLOOPER. We have a hemispheric police force, which is not very effective, but we have treaties now with the Latin American countries under which, upon the request of I think it is 14 nations of the Latin American nation signatories, we can go into a country, and resist invasion, let us say.

It has not necessarily been called into force. It came as near being called into force and effect in the Guatemala situation as it has ever been, but there is a mechanism now which is, for all intents and purposes, quite ineffectual.

The CHAIRMAN. Does it have any force, any power, any troops?

Senator HICKENLOOPER. Yes. They can furnish troops, or any participating nation which is willing can do it.

In other words, if these 14 nations—that number may not be quite accurate. I think it is 14, is it not, Carl?

Senator MORSE. I think Rubottom said that yesterday. You ought to tell about the protocol that is about to come up which deals with this.

Senator HICKENLOOPER. I did not mean to get into a discussion of that. But we do have a form of inter-American police force.

As I understand it, under certain circustances, manifestly—it is a little fuzzy—an invasion from some country across the seas, if the 14 countries got together, we could get together in spite of the Monroe doctrine and throw them out.

It is my recollection that it is far enough so that if Cuba starts to invade Costa Rica or Nicaragua or any other country down there, and if 14 of the 21 or 22 countries agree that force should be used to repel that or put it down, then under the terms of this treaty if they called upon us or upon all nations to furnish such power as is necessary, we would be authorized then to furnish such power as we saw fit in order to put it down.

But between getting that done and having the agreement to getting it done is a pretty long road.

POSSIBLE SOVIET MILITARY AGGRESSION

Senator CAPEHART. Mr. Chairman, are we to say to Brazil that "You should not have any army," or "We should not give you any help against even Russia"?

Are we to say to her, "You just leave this tremendous country there, which is bigger than the United States, wide open so that Russia could fly planes in there, and boys with parachutes, and take over your country, and come in with submarines," or are we to say to her, "We are not interested in what happens to you, but we are interested in what happens to Indonesia or Korea, Formosa, and we do not think you ought to have an army at all, and we are not willing to help you, but we are willing to help people in the Far East"?

It is the psychological effect. There must be a better way to do it than to just say to these people, "Here is a world-wide Communistic threat, and the United States is spending billions and billions not only at home but abroad, and yet we do not want you to participate in it at all."

Wouldn't it be better to work out some sort of system whereby they could assist us? Maybe—I am just thinking out loud—we ought to use more of their people in our Army or their armies.

But what makes you believe that unless we do have some sort of military force in all of South America, for example, the Russians cannot fly in there and parachute men in and come in with submarines and take over those countries?

We can go to war and would, of course.

Senator MORSE. If I can make brief comments, Senator: In the first place, if Russia ever were to decide upon that kind of aggressive action, the military aid we now are providing the Latin American countries would, to all intents and purposes, accomplish practically nothing.

Senator CAPEHART. We understand that.

Senator MORSE. And you would not stop it by the calling of peaceful procedures, because immediately we would be at war.

Senator CAPEHART. Of course, we can say the same thing about the aid we are giving to all the little Far Eastern countries and Middle Eastern countries.

Senator MORSE. No, you cannot say the same, in my judgment.

RETURNS ON FOREIGN AID

In the first place, you have to face up to the fact that what aid you are giving to Latin America is not going to be of any real practical value to us in case of a war with Russia.

Senator CAPEHART. It may not be, but the psychological effect is there, and you want the good will, the cooperation and the help of those people. Yet you are saying to them, "We care nothing about you at all from a military standpoint, but we are vitally interested in the military aspect of Indonesia."

Senator MORSE. "We care so much about you that we want to strengthen your economy and we are going to do it by way of economic acts and try to work out a hemispheric compact where we will all stand together in case of aggression. But we are not going to build up your military forces which are for the purpose of supporting"——

Senator CAPEHART. You and I agree that we ought to at least look into the possibility of a police force, to look into that. We are all agreed on that. I am, as I know you gentlemen are, of the opinion that none of these little countries, whether it be in Latin America or the Far East or anywhere else, is going to be of much value if we get into a war with Russia.

But you do have the psychological effect, and you get right back again to this problem, of how can you help three of your children and not help the other two of you have five.

Senator MORSE. I think you made a great contribution in your economic work in Latin America but we have to help them help themselves economically. I am all for that, and we have created a lot of hard feelings in Latin America because of the economic aid we have given elsewhere, all out of proportion to what we have given to Latin America.

The kind of military aid you are giving is creating ill feelings and bad relations toward the United States instead of helping the situation.

Senator CAPEHART. Maybe it is the way it is being handled, not the fact——

Senator MORSE. I do not think the people appreciate military aid.

THE INTER-AMERICAN DEFENSE BOARD

Senator LAUSCHE. May I ask one question of our staff? Does the Inter-American Defense Board participate in the recommendation of what we shall do militarily in the South American nations?

The CHAIRMAN. I do not think so.

Mr. MARCY. Pat, check on that.

Mr. HOLT. Yes.

Senator LAUSCHE. The Inter-American Defense Board does make the recommendation or participates?

Mr. HOLT. I understand that.

Senator LAUSCHE. That is all I wanted to know.

The CHAIRMAN. I did not hear the answer to that, Pat.

Mr. MARCY. The answer is yes.

Senator LAUSCHE. How are the members of the Inter-American Defense Board chosen and who are they?

Mr. HOLT. I could not tell you that, sir.

The CHAIRMAN. Are you sure they are consulted when they make these bilateral agreements, for example, on the tracking station in Brazil?

Mr. HOLT. Well, the tracking station in Brazil was negotiated bilaterally between us and Brazil.

The CHAIRMAN. That is a big part of it.

Mr. HOLT. The American member of the Inter-American Defense Board is consulted in the drawing up of military assistance programs to Latin America, as I understand it.

The CHAIRMAN. In these bilateral agreements?

Mr. HOLT. Yes, sir.

Senator MORSE. Don't forget that in March 1958, Pat, we stopped military aid to Cuba. We did not consult any Inter-American Defense Board to do that. We just recognized that it was not helping our relations with Cuba and we stopped it. That ought to be our attitude on the money in the first place.

The CHAIRMAN. I am going to ask the staff to put together a memorandum on some of the basic points that we have raised here with respect to the OAS and the Inter-American Defense Board for the next meeting when we will continue.

I hope that on many of these other points, as we go along, we can discuss them much like we did this morning. We will go through and raise the points. We will not try to rush decisions on them, but we will try to raise these points.

Tomorrow we will go a little more rapidly and not to make decisions, but to raise the points and get them along so that next week when we come back we will have the whole thing more in mind.

I am informed that Mr. Parsons will be here tomorrow at 4:30. Where did Senator Aiken go? This is in executive session, and I hope we will not discuss that.

The committee will recess until 10 o'clock tomorrow morning.

[Whereupon, at 12:25 p.m., the committee recessed until Thursday, June 4, 1959, at 10 a.m.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

THURSDAY, JUNE 4, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to recess, at 10:25 a.m., in the committee room, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Mansfield, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, and Aiken.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Newhouse, of the committee staff.

The CHAIRMAN. The committee will come to order.

I wonder if you had better read this letter.[2]

Off the record.

[Discussion off the record.]

The CHAIRMAN. Senator Morse sent word that he could not come this morning and would ask us to go over the amendments on Latin America.

However, for the information of the members, the staff has tried to consolidate, as best it can, various elements of the several different amendments that were discussed yesterday in order merely to get it before you, but not to take any action. I asked the staff to give to each member a copy of—we will call it a compromise—purely for your information. We won't spend any time on it because Senator Morse has asked us to go on.

We will proceed, in any case, but you can take that for consideration pending the next meeting.

I suggest, in order to move along and get familiar with what we have to deal with, that Mr. Marcy go on from here and see what we have.

Mr. MARCY. I think, Mr. Chairman, that you might take your amendment on the bottom of page 9, at the right column, and the Mansfield amendment at the top of page 11, on the right-hand column, because the two are related to each other.

MILITARY ASSISTANCE AS DOD BUDGET ITEMS

The general effect of the Fulbright amendment at the bottom of page 9 would be to make a general authorization for the future for military assistance programs so that they would be carried as a part of the regular Department of Defense budget.

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[1] See Appendix B.

[2] On June 4 President Eisenhower wrote to Senator Fulbright opposing his proposed increases in aid to the Development Loan Fund.

You will note in the left column on page 8 that the executive branch favors a permanent authorization of this kind. They say that the proposed language does not force them, they believe, to carry foreign military assistance in the Defense Department budget, but it is flexible enough to permit them to move in that direction if they wish.

Now, the Mansfield amendment at the top of page 11 states simply that in preparing foreign military assistance programs the budgeting shall be done in such a way as to provide for direct competition for financial support between the military assistance program and the regular programs of the Department of Defense.

And the executive branch comment on that——

Senator HICKENLOOPER. Where is that? I don't find that at the top of page 11.

Mr. MARCY. "Programs of military assistance."

Senator HICKENLOOPER. What you read isn't what it says here.

Mr. MARCY. I am sorry, maybe I misstated it.

Senator LAUSCHE. You must have been extemporizing.

The CHAIRMAN. He was not reading. The comment over here is on the executive branch.

Mr. MARCY. Here is the executive branch comment on the Mansfield amendment.

Senator MANSFIELD. Mr. Chairman, as long as the first of the amendments I would propose has come up, I would like to have considered at the same time, with the amendment on page 11, my amendment 6159 (b), which amends Section 523(c) to read as follows:

> Determining whether there shall be a military assistance program for a country and determine the value of such program.

Where would that go, Carl?

Mr. DENNEY. Page 77.

Mr. MARCY. At the top of page 77.

Senator MANSFIELD. I think they are related. That is right.

Senator LAUSCHE. Is it the purpose of this amendment carried on page 11 to bring the military assistance into the defense aspect of our treatment?

Senator MANSFIELD. In the Defense Department. With the permission of the chairman and the committee, I would like to make an explanation about amendments 1 and 2.

The CHAIRMAN. Yes.

DOD RESPONSIBILITIES

Senator MANSFIELD. The administration of military aid is already handled by the Department of Defense. As the law now reads, and I am quoting:

> The Secretary of Defense shall have primary responsibility for:
>
> (1) The determination of military independent item requirements.
> (2) The procurement of military equipment.
> (3) The supervision of end-item use.
> (4) The supervision of the training of foreign military personnel.
> (5) The movement and delivery of military end items;
> (b) The establishment of priorities in the procurement, delivery and allocation of military equipment shall be determined by the Secretary of Defense, Section 524.

That is the end of the quotation from the law.

In law, the Secretary of State now has the power to coordinate military aid with other forms of assistance, and the power to determine the value of the military aid program for any country.

In short, for all legal and practical purposes administration of military aid is already in the Defense Department, and control of policy on military aid is in the hands of the Secretary of State to the extent he chooses to exercise that control.

Now, as far as the first amendment is concerned, on page 11, (a), it will put pressure on the executive branch to examine the budget for foreign military aid to go with the domestic defense budget; it will require them to make a decision as to whether or not any given dollar spent on military aid might be better spent on the domestic defense establishment;

(b), it will not end the annual congressional review of and authorization for military aid as a part of total foreign aid.

That amendment will not give the Defense Department an open-end authorization for military aid.

Now, as to the value of the aid——

Senator LAUSCHE. May I interrupt at this point?

Senator MANSFIELD. Yes.

Senator LAUSCHE. How do you reserve that requirement for the authorization? You say you don't give them an open end.

Senator MANSFIELD. That is right. And the way the amendment reads indicates that programs of military assistance beyond the fiscal year 1960 shall be budgeted so as to come into direct competition for financial support with other activities and programs of the Department of Defense, which in my mind means that it has to undergo a yearly review by this committee.

Now, as far as the value of the amendment is concerned, one, it may make the Defense Department less eager to seek dollars for foreign aid if they have to choose between using them abroad and using them at home;

Two, it will not subject you to the charge of trying to conceal foreign military aid in the Defense Department budget. That might be the case if we went the whole way as some proposed and gave the Defense Department an open-end authorization for foreign military aid, which they will not have.

THE FINAL WORD: THE SECRETARY OF STATE

The second amendment on page 77, which I think goes with this, merely acts to emphasize to the executive branch that the Secretary of State has the final word on military aid. He has final power now, but apparently there has been some tendency not to exercise it forcibly. That amendment should urge the State Department to use its power to curb military aid programs, and the Defense Department not to go hog-wild with them.

Senator CHURCH. Under the present law the value of any military assistance program is determined by the Secretary of State.

Senator MANSFIELD. Supposed to. He has the authority.

Senator CHURCH. He has the authority, and it comes up here as a part of the mutual security package subject to the jurisdiction of this committee; you would see no change in that if these amendments were adopted. In other words, this committee would still have jurisdiction over the question of the propriety of military assistance in any given country and the military assistance program that ought to be authorized in any given country.

Senator **Mansfield**. That is correct.

Senator **Church**. So that would not be changed.

Senator **Mansfield**. No.

Senator **Church**. So this amendment, then, would transfer the budgeting of military assistance out of the State Department and over to the Defense Department.

Senator **Mansfield**. In the sense that they would have to make a choice, as they are supposed to be doing now, between whether or not money which they will advocate to be authorized and spent, can be spent more effectively in the foreign aid field than it can with our own defense establishment.

They have told us for years that $1 spent in this way is the equivalent of, is worth $6 or $7 spent in our own military establishment. So if that is the case, let's tighten up this procedure; let's give a little nudge to the Secretary of State to exercise more policy control and see if we can't bring a little more security to this program.

THE EXTENT OF COMMITTEE JURISDICTION

Senator **Church**. What would be the function, Senator, of the Armed Services Committee of the Senate if these amendments were to be adopted? What jurisdiction would it have? Would its jurisdiction over the field of military assistance be augmented?

Senator **Mansfield**. No. As far as I can see, Frank, there would be no change in the matter at the present time.

Senator **Church**. No change.

Senator **Lausche**. What do you rely on for that conclusion? It seems to me that there would be some question that probably it became a military matter, and the Armed Services Committee would have control. Do you feel that it would not?

Senator **Mansfield**. No, and frankly, I wouldn't mind if they did, because for a long time in these aid programs, as some of the senior members will recall, the Armed Services and Foreign Relations Committees met together to consider this bill. And I think one of the reasons why the military aid aspect was not put absolutely into the Department of Defense 2 years ago as the administration recommended, was the opposition of the Armed Services Committees in both Houses which did not feel they should be shouldering this responsibility.

Senator **Sparkman**. I suggest that to start with the committees meet together to consider the bill. Later on we would consider it and refer it to the Armed Services Committee, and finally the Armed Services Committee expressed a desire that there not be any future reference.

Senator **Mansfield**. And we were not unhappy about it.

Senator **Sparkman**. No. In fact, they really asked not to be. They preferred we handle it, and I think Mike is right; I don't think this would change it at all.

Senator **Church**. I am too much a newcomer to have any perspective on this kind of question, but my feeling is that this committee ought not to relinquish jurisdiction in this field because I fear that if we once lose control this program might, in fact, expand greatly; and its importance and impact on our foreign relations is very great, indeed.

It seems appropriate, therefore, that this committee assume full jurisdiction and retain full control. That would be a matter of importance to me, as I now see it.

Senator MANSFIELD. This committee, Frank, would not lose jurisdiction that it now has. Is that right, George?

Mr. DENNEY. Yes.

Senator CHURCH. Yes.

Senator SPARKMAN. Let me ask you: where in this does your amendment appear?

Senator MANSFIELD. Page 11 at the top, the first one, and then page 77.

Senator SPARKMAN. I am looking for the first one. Do they have to be considered together?

Senator MANSFIELD. Not necessarily. I thought they went in together because the idea was to implement the policy direction authority of the Secretary of State and to give him a nudge to exercise that kind of power.

Senator HICKENLOOPER. Of course, your amendment on page 77, Senator Mansfield, goes much further than that. It transfers all the functions of the ICA completely to the Office of the Deputy Under Secretary of State for Economic Affairs.

Senator SPARKMAN. Bourke, I think he refers to the first one, the one right at the top.

Senator MANSFIELD. Yes.

Senator SPARKMAN. The little one.

Senator MANSFIELD. The little one.

Senator SPARKMAN. You are speaking of the second.

Senator MANSFIELD. It doesn't go to the next one.

Senator HICKENLOOPER. I will have to look at the little one carefully because I have always been afraid of the one-book lawyer.

Senator MANSFIELD. I don't know what he is talking about because I am not a lawyer.

[Laughter.]

Senator GORE. In other words, if he comes in with an armload you know he is fishing.

Senator HICKENLOOPER. That is right. You don't have much to fear if he has an armload, or if he comes in with the last issue of the Northwestern Reporter or something.

[Laughter.]

DEPARTMENTAL AUTHORITY

Senator MANSFIELD. All this does, Bourke, is to emphasize the authority which the Secretary of State under law already has.

Senator LAUSCHE. Well, according to page 77, the top amendment, if the Secretary of Defense will determine.

Senator MANSFIELD. No, the Secretary of State is supposed to have overall direction.

Senator SPARKMAN. The Secretary of State will direct the military assistance program.

COORDINATION BETWEEN SECRETARY OF DEFENSE AND SECRETARY OF STATE

Of course, you assume that the Secretary of State and the Secretary of Defense will coordinate these things. After all, this power belongs to the President.

Senator **Mansfield**. Oh, yes. Well, this bill is to the President, who delegates this power to the Secretary of State, who in turn exercises overall supervision, or is supposed to.

Let me read on page 74 just what the law is:

> Section 523. Coordination With Foreign Policy.
>
> Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.
>
> (b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.
>
> (c) Under the direction of the President, the Secretary of State shall:
>
> (1) coordinate the various forms of assistance authorized by this Act so that the foreign policy of the United States may be best served thereby; and
>
> (2) determine the value of the program under Chapter I for any country.

Senator **Sparkman**. You simply would add (c).

Senator **Mansfield**. That is right, (c).

Senator **Sparkman**. Yes, (c).

Senator **Mansfield**. Item (c)(2) reads as follows, so that it would be amended, "The Secretary of State of course will be"—is up there under (c) by itself. But the present (c)(2) would be amended to read as follows:

Instead of saying "determine the value of the program," say, "determine whether there shall be a military assistance program for a country and determine the value of such a program." All it does is emphasize the authority of the Secretary of State.

Senator **Aiken**. Well, has there been a lot of lack of coordination in the military assistance program?

Senator **Mansfield**. I don't think it is that, George. I think it has been a sort of haphazard supervision on the part of the State Department, and if my memory serves me correctly, approximately 99.5 percent controlled by the Department of Defense.

Senator **Aiken**. Well, it strikes me that you give the President a chance to get both sides of an argument, regardless of who he finally decides with, to have them both there. I suppose he makes the final decisions.

Senator **Mansfield**. He would have the final say.

ACT AS A BRAKE ON EACH OTHER

Senator **Sparkman**. Is there any provision delineating similar powers to the Secretary of Defense?

Senator **Mansfield**. To my knowledge, no, not in this foreign aid program.

Senator **Aiken**. These departments must act like something of a brake on each other, even though one is a bigger brake than the other.

Senator **Mansfield**. George says that the powers of the Secretary of Defense are spelled out in Section 524, which we do not have in the book before us.

Mr. **Denney**. The powers of the Secretary of Defense are as follows:

> The Secretary of Defense shall have primary responsibility for the determination of military end-item requirements; the procurement of military equipment in a manner which permits its integration with service programs; supervision of

end-item use by the recipient countries; supervision of the training of foreign military personnel; the movement and delivery of military end-item, and within the Department of Defense the performance of any other functions with respect to the furnishing of military assistance; establishment of priorities in the procurement, delivery and allocation of military equipment shall be determined by the Secretary of Defense.

Senator SPARKMAN. In other words, this language does not take anything away from him.

Senator MANSFIELD. No. It implements what is already in the law.

Senator SPARKMAN. It simply defines more clearly the powers of the Secretary of State which already belong to him.

Senator MANSFIELD. Right.

Senator CHURCH. And when coupled with your amendment on page 11, the only real change that is made, then, apart from clarifying the power in the Secretary of State, is to provide that the budgeting of the military assistance phase of the program shall come within the budget of the Department of Defense.

Senator MANSFIELD. Yes. It will bring a closer scrutiny as to the value of military aid overseas versus military aid at home in our own defense budget. It brings about no concealment of foreign aid in the defense budget, but it does bring about a certain degree of added pressure on the Defense people to be a little more specific and careful in what they are advocating.

PUBLIC ANNOUNCEMENT

Senator HICKENLOOPER. On page 77, your amendment says, "determine whether there shall be a military assistance program for a country and determine the value of such program." What does that mean? Does it mean they have to specify every country in the world and set out the exact amount of military assistance, and so on, to that country in advance?

Senator MANSFIELD. I assume they are doing that now, Bourke.

Senator HICKENLOOPER. I am talking about the public announcement.

Senator MANSFIELD. We haven't gotten to that yet. All the amendment on page 77 does is to emphasize to the executive branch that the Secretary of State has the final word on military aid. As I have indicated, he has that final power now, but apparently there has been some tendency not to exercise it forcefully, and this amendment would not change anything but should urge the State Department to use its power to curb military programs and not have the Defense Department running hog-wild on them.

So it does not mitigate the authority of either one of them, but emphasizes that the final authority is in the hands of the Secretary of State, acting for the President. And the whole program is in the hands of the President.

Senator AIKEN. I would think you wouldn't want to give them this power unless you required that determination be made after consultation with the Secretary of Defense.

Senator MANSFIELD. It will. That is in the law.

Senator AIKEN. It is in the law now?

Senator MANSFIELD. Oh, yes.

Senator AIKEN. Which would require him to consult with the Secretary of Defense?

Senator **Mansfield**. That is in the law, and what George has read—Section 524, I believe—lays out the requirements under which the Secretary of Defense shall operate, but he operates subject to the final policy decision of the Secretary of State.

MEANING OF "VALUE"

Senator **Wiley**. By "value," do you mean the amount?

Senator **Mansfield**. Yes, but not public in this instance; this is what they should be doing now anyway.

Senator **Wiley**. I know. But the word "value," it seems to me, has many connotations, and if you mean "and determine the amount of such program," the word should be "amount."

If, on the other hand, it might be necessary today to make one determination and a week later another determination——

Senator **Mansfield**. Well, we used the same word that was in the bill.

Senator **Wiley**. What?

Senator **Mansfield**. It is already in the law. This is not a new word; it is in the bill.

Senator **Wiley**. What do you mean by the word "value"? I want it on the record.

Senator **Mansfield**. Then you had better go back to what was meant by the word "value" at the time it was introduced in the first place, because this is taken from the bill itself. As I see it—it is only my personal view—what it means is value in relation to what the Secretary of State determines the worth and validity of a program is, in relation to the objectives of our foreign policy in that particular country or area. This is nothing new.

Senator **Sparkman**. And not in money cost, necessarily.

Senator **Mansfield**. Not necessarily, no.

Senator **Sparkman**. I think that is right.

Senator **Mansfield**. This is taken from the law, Alex, and it is not anything we put in.

Senator **Sparkman**. I don't think it means the amount that should be invested as used here, but the value of the objective that we are trying to achieve.

Mr. **Denney**. In this context the value means the dollar value of the country per year.

Senator **Mansfield**. Which is in the law now, and which the Defense Department must supposedly show to the Secretary of State for his final approval.

Mr. **Denney**. That is correct.

Senator **Lausche**. Then it really means amount.

Senator **Mansfield**. But the amount is related in its value to the objectives of our country in a certain country or in a certain areas as to how funds are spent and what they are supposed to do.

For example, I have heard stories—I don't know how true they are—that we are spending enough money for 15 or 22 jet planes in Ethiopia and less than half a billion dollars on public health of the people who live there. I think the Secretary of State ought to take a more active interest in that.

Senator **Sparkman**. We had testimony on that. It is not just rumor; it is in the testimony.

DEFENSE DEPARTMENT OBJECTIONS

Mr. MARCY. Mr. Chairman, I might make a statement about this amendment. On page 77 you will notice that the executive branch has not expressed any opinion on this. They have not been able to reach an agreement. We understand from informally talking to the staff level people that the difficulty is that the Department of Defense thinks this amendment sort of rubs them the wrong way.

They claim now that the Secretary of State is in fact determining the value of the program. The Secretary of State does have veto on a military assistance program to any country, and that all this does is to simply reemphasize the foreign policy considerations in determining a military assistance program.

For that reason, I take it this is a bit of a power struggle which always goes on. This emphasizes the foreign policy implications just a little too much, and that is why they haven't reached an opinion.

Senator AIKEN. Who has the responsibility today for determining whether there shall be a military assistance program?

Senator MANSFIELD. Primarily the Secretary of Defense; finally the Secretary of State, who has to make the final decision based on overall foreign policy objectives.

Senator AIKEN. Primarily the Secretary of Defense?

Senator MANSFIELD. Yes, under Section 524.

Senator AIKEN. And this would put it primarily as well as finally in the hands of the Secretary of State?

Senator MANSFIELD. Yes, where it is now.

Senator SPARKMAN. When you used "primarily," do you mean primarily, or initially?

Senator MANSFIELD. Initially.

Senator SPARKMAN. I think initially, he makes it under the supervision of the Secretary of State who has the veto power.

Senator MANSFIELD. The way I think it operates, John, is that he makes it and exercises initial control; but then the law spells out that he shall have primary responsibility for it: the determination of military end-item requirements; the procurement of military equipment; the supervision of end-item use; the supervision of the training of foreign military personnel; the movement and delivery of military end-items.

Senator SPARKMAN. But those are details putting the program into effect. But the determination of whether or not there shall be a program belongs to the Secretary of State.

Senator MANSFIELD. That is right.

Senator SPARKMAN. It may be initiated by the Secretary of Defense.

Senator CHURCH. And the Secretary of Defense implements it.

Senator SPARKMAN. It is under the control of the Secretary of State.

Senator MANSFIELD. That is right. He has the final decision. All this does is reemphasize that the Secretary of State does have that decision, and we think if this amendment is agreed to, that is the way it should be.

THE ADMINISTRATION'S POSITION

Senator LAUSCHE. Mr. Marcy, do I understand you to say that the administration has not taken a position on it? It takes a position on the amendment on page 11.

Mr. MARCY. Yes, sir, it opposes that amendment.

Senator LAUSCHE. They say that "Military assistance requirements like all other requirements for expenditures are weighed by the executive branch in terms of their relative importance and priority as claims against the available or anticipated finances. It is the Department of Defense which now proposes military assistance requirements subject to the review of the Secretary of State. These requirements are clearly additive to the direct needs of the Department of Defense."

Now you say they have not taken a position on the amendment on page 77.

Mr. MARCY. That is correct.

Senator MANSFIELD. Frank, would you yield on this?

Senator LAUSCHE. Yes.

Senator MANSFIELD. What you have stated here as being the position of the executive branch is technically correct, but what you have are two sets of people who work on the same thing, and what we are trying to do is get them together on a collaborative basis rather than a separate basis. I think it would tend to bring about more efficiency, a closer perusal, and have a better effect on the program generally; and it appears to me that the position of the executive branch on the amendment on page 11 is not as strong as it is on some other proposals.

I don't know whether they are really for any amendments that are being offered, but on this one their opposition seems to be not too strong.

Senator LAUSCHE. You mean on page 11?

Senator MANSFIELD. Yes.

Senator LAUSCHE. Well, they say it appears to them either to be unnecessary or undesirable, and they are not quite able to make up their minds which.

Senator MANSFIELD. Well, it may not be so necessary but it certainly is desirable, because it does away with this effort on the part of two different groups working on the same subject, and if we could put it in it would be desirable.

STRENGTHEN THE SECRETARY OF STATE

Mr. Chairman, to bring this matter to a head, because we have a lot of amendments to consider, if it is in order I would like to move that the amendment at the top of page 77 be approved at this time.

Senator SPARKMAN. I second the motion.

Senator HICKENLOOPER. What has that to do with your amendment on page 11?

Senator MANSFIELD. I just thought I would bring it up first and the other one later. If I had my way, I would like to have them both voted on at the same time, but there may be a difference of opinion on one or the other, and it just gives us a choice.

The CHAIRMAN. This is (c), at the top of page 77.

Senator MANSFIELD. The Secretary of State shall "determine whether there shall be a military assistance program . . .". It is really in the law now, but this just emphasizes it a little more.

The CHAIRMAN. You heard the motion. Any discussion?

Senator AIKEN. Is it understood that decisions made here are subject to review before the bill is finally reported out?

The CHAIRMAN. Yes.

Senator **Aiken**. As has been done in the past?

The **Chairman**. Yes; I think the only practical way is that we will make these decisions but they are subject to reconsideration.

Senator **Aiken**. There is no quorum, there being eight members absent.

The **Chairman**. I think that is the only way we can operate. Some of the absent members want to come in and want to reopen it.

Is there any discussion of that amendment?

Senator **Hickenlooper**. I just don't see that this amendment adds anything. I don't have any particularly outstanding objection to it. I think the law already states it, and I am just not convinced that it adds anything of value to the law.

Senator **Mansfield**. Bourke, I think it strengthens a little more the hand of the Secretary of State, and makes it clear once again, if we pass it, that we are still of the mind that the Secretary of State, who has the power now, should continue to have it; and it would serve notice to the other branch that it is something they ought to keep in mind all the time.

AMERICAN FORCES OVERSEAS

Senator **Aiken**. This would have no relation at all to the maintenance of American forces on foreign soil, only assistance.

Senator **Mansfield**. Only as far as the MAAG groups and divisions, and the like.

Senator **Aiken**. But with respect to bases?

Senator **Mansfield**. No. People, military forces or military personnel connected with the aid program only.

Senator **Aiken**. Yes. We could relate this to terms of Turkey, and, I suppose, Iran.

Senator **Mansfield**. Yes.

Senator **Aiken**. Pakistan.

Senator **Mansfield**. Yes.

Senator **Lausche**. Senator Mansfield, am I correct in understanding that if both of these amendments are accepted, the authorizations for both military and economic aid will still be a function of this committee?

Senator **Mansfield**. No question about it; absolutely.

Senator **Lausche**. But in the submission of the budget the military aid will become a part of the Department of Defense budget instead of the Department of State.

Mr. **Denney**. As a technical matter, it won't become a part of that budget, but in the process of making up the two items for the defense of the United States on the one hand, and the foreign military aid on the other, the two programs will be considered together, whereas now they have a tendency to be considered separately.

ICA BUDGET

Senator **Lausche**. In which department's budget would the military aid be included?

Senator **Mansfield**. In ICA.

Mr. **Denney**. Where it is now.

Senator **Lausche**. ICA. That is a part of the Department of Defense.

Senator **Mansfield**. No, that is the aid agency which is simply autonomous, supposedly, in the Department of State.

Senator **Lausche**. I mean in the Department of State.

Senator **Mansfield**. In the Department of State.

Senator **Lausche**. Then it is a part of the budget of the Department of State, because ICA is in the Department of State.

Senator **Mansfield**. Well, halfway, but the Department of State budget amounts to about $200 million. This amounts to somewhere between $3 and $4 million. That is a distinct, separate budget from the Department of State.

Senator **Lausche**. I see.

Senator **Mansfield**. And that is one of the incongruities of the situation, because they are both charged with conducting foreign policy.

Senator **Aiken**. This would not be in the State Department budget unless your next amendment on page 77 should carry.

Senator **Mansfield**. Yes, that is right.

Senator **Aiken**. Apparently you are not too optimistic about that. [Laughter.]

Senator **Mansfield**. I am not optimistic about any of them, George. You offer them; you may be lucky and you may not. You just take your chance on it.

Senator **Church**. This motion pertains to the amendment on page 77 only?

Senator **Sparkman**. At the top.

Senator **Church**. At the top, which is merely a reaffirmation and declaration of the present law, laying emphasis on the powers of the Secretary of State.

Senator **Sparkman**. Yes.

PASSAGE OF MANSFIELD AMENDMENT

The **Chairman**. Any further discussion?

[No response.]

The **Chairman**. Are you ready for the vote?

All in favor of the motion of the Senator from Montana signify by saying aye.

[Chorus of ayes.]

The **Chairman**. Opposed, no.

[No response.]

The **Chairman**. The ayes have it, and the motion is carried.

Senator **Hickenlooper**. I am just passing on this; I am not in position to raise objection to it, but I am not ready to vote affirmatively on it.

The **Chairman**. You will have an opportunity.

Senator **Wiley**. I haven't heard the full discussion, so I refrained also, but I did have an idea as to the meaning of the word "value." As I understand now, the word "value" there means the dollar sign, in substance.

Senator **Mansfield**. Yes, monetary, but in relation, of course, to the use of that money.

Senator **Wiley**. It means the amount in dollars of such program.

Senator **Aiken**. Other values would come in, too.

Senator **Mansfield**. Subsequent to the spending of money, yes.

DETERMINING VALUES

Senator **Aiken**. You still have to make a determination as to other values in terms of general foreign relations as well as monetary values.

Senator **Mansfield**. That is right.

Senator **Aiken**. I think so.

Senator **Hickenlooper**. I am very apprehensive about the provisions which force us to detail each country and the amount of assistance that it gets, and this may go a long way toward doing that.

Senator **Mansfield**. No, no, Bourke; page 77. That is already being done. There will be——

Senator **Hickenlooper**. I know it is being done. It has to be done, but the publication of this——

Senator **Mansfield**. No, other amendments will come up covering that, but this note——

Senator **Hickenlooper**. In the Bazaar for "This country is getting so much, and therefore I ought to get so much," you know that kind of business. I don't think we ought to lay it down in advance, necessarily.

Senator **Mansfield**. They don't cover that, because you are going to have other amendments which will be offered seeking to do that very thing. This really implements what is already the law, and as far as the other amendments are concerned, when we get to them you will have to consider that if you look in some of the newspapers in other countries you can get the facts which are denied to everybody except the Members of the Congress of the United States in this country, but this has no relation to that. This is the law now.

Senator **Hickenlooper**. Well, I don't deny they are denied here to the members of the committee or Congress.

Senator **Mansfield**. Outside of us, it is pretty hard to get it.

Senator **Hickenlooper**. I see.

The **Chairman**. Do you wish us to consider the second amendment on page 77 at this stage?

Senator **Mansfield**. No, I would like instead, Mr. Chairman——

The **Chairman**. Leave that for later?

Senator **Mansfield** [continuing]. Return to page 11——

The **Chairman**. Can we proceed on that?

Senator **Mansfield** [continuing]. And move that that amendment be adopted.

The **Chairman**. Was there any further discussion of my amendment on page 9? These are somewhat similar. As you can see, mine is permissive and yours is more mandatory in effect, is it not?

Senator **Mansfield**. That is right.

The **Chairman**. For the committee, is there any discussion?

COMPARISON OF MANSFIELD AND FULBRIGHT AMENDMENTS

Senator **Church**. Would you explain, Mr. Chairman, how your amendment on page 9 differs from Senator Mansfield's?

The **Chairman**. The only way I can see any particular difference——

Senator **Church**. Which amendment do you refer to at the bottom of page 9?

The **Chairman**. At the bottom of page 9 there is permission for them to move in this direction which I think they are favorable to, and which this committee was at one time, but does not require it to be done immediately. That is about the only difference I can see.

Senator HICKENLOOPER. Does this amendment start out, "Hereby authorized to be appropriated"? Is that the amendment you are talking about, on the bottom of page 9?

Senator CHURCH. How does that relate to Mansfield's amendment?

The CHAIRMAN. What I had in mind is that the amount of the foreign aid bill, if the President so chose, you see, would be included in the budget of the military. And this bill, instead of being $3.9 billion, would be less $1.6 billion, or $2.3 billion.

Senator CHURCH. Mr. Chairman, I am advised that this amendment in effect gives the President the authority——

The CHAIRMAN. That is right.

Senator CHURCH [continuing]. To remove the military assistance phases of the mutual security program from the jurisdiction of this committee, and place it under the jurisdiction of the Defense Department, and hence the military committees of the Congress.

The CHAIRMAN. That is correct. The $1.6 billion would be in the budget of the Defense Department. Our bill would be $1.6 billion less.

MILITARY AID AND FOREIGN POLICY

Senator CHURCH. My own feeling is that the military assistance phase of this mutual security program is so inherently and closely connected to the foreign policy of the country that it ought properly to remain under the jurisdiction of this committee, and not become a part of the military program subject to the authority of the military committees of the Congress. I am afraid that it would mean——

The CHAIRMAN. You are not alone in that view. The majority of the Congress has felt that, too, so you are perfectly entitled to that view.

Senator CHURCH. It seems to me a military assistance program is a tool and arm of our foreign policy and ought not to be severed from it.

The CHAIRMAN. Of course, the determination of the overall policy in any administration would still be a matter for the consideration of the President and the Secretary of State as his main adviser in foreign policy. I think appearance on paper gives the impression it wouldn't happen, couldn't happen in any kind of a coordinated administration.

The advantages, such as they are, are simply to reduce the size of the foreign aid program, which is coming under greater attack every year, and will be, I expect, under stronger attack this year than it has been in the past. We set up a large goal of $3.9 billion, but the House has already cut it. Last year the Senate cut it to $3.2 billion, and I anticipate there will be a very determined attack on this program this year.

Senator MANSFIELD. Mr. Chairman, I would like to bring up my amendment on page 11 because, as I see it, there is a marked difference between what I am proposing and the Fulbright amendment on page 9.

If the executive branch was to take up the flexibility which the Fulbright amendment offered, and really bring about the transfer they desired several years ago, it means this would be taken out of the hands of this committee.

The **Chairman**. That is right.

Senator **Mansfield**. The Armed Services Committee would become a creature of the Appropriations Committee, and there would be no limit so far as expenditures are concerned. In other words, this is an open-ended system, whereas under my proposal there would be no open-end authorization allowed, and the continuation of military aid, as far as authorization was concerned, would be a prerogative of this committee.

So I think in view of the difference that——

The **Chairman**. I think the Senator's statement is correct. It is a question of judgment whether it is wise or not.

Senator **Mansfield**. Yes.

The **Chairman**. These foreign aid programs are in a different class from domestic assistance. There is no one in my district, and I doubt there is in anyone's district, urging me to give attention and support to any of these foreign aid programs. In fact, it is all the other way.

The less we have to deal with this, the less it becomes an issue on the floor, and the better it is in competition with domestic programs, if you feel the foreign aid program is justified. If it is not justified I think we should eliminate it. Nobody can be positive about it.

My best judgment is that these programs for the foreseeable future are essential if we are to hold our own with the Communists. There are other reasons, too, that we need not go into now, but that is enough reason.

If we are going to have one, then how best can we put it on a basis where it isn't continually attacked and cut to pieces? We not only have it once a year, we have supplementals. We have two struggles a year, and each time they become more difficult to defend for those of us who are dependent upon local constituents who send us here.

ATTACKS ON THE FOREIGN AID PROGRAM

I don't like the role I have to play. My senior Senator makes a speech nearly every year on the Arkansas River, saying that he won't vote one nickel for a foreign aid giveaway program until they complete the program on the Arkansas River. I have to explain this program, and you can see who has the advantage when the biggest program in the State is trying to control the floods. It is very embarrassing, and that is the fate of all chairmen of this committee in recent years. That is all right with me, but I am just advising that I don't see how the nation, if you think that this kind of a program is justifiable, is going to survive, to stick with it, have the patience to do it, if once or twice a year you have these debates in which the opponents get up and say this is a giveaway operation.

Every year, two or three committees in the House get up, as they are going to do now, drawing attention to the waste and the inefficiency and all that, and then when you go home, you are asked, "Why are you voting for that inefficient, wasteful thing, giving that money away?" And before very long I think you are not going to have a program.

The only purpose of this amendment is to try to minimize that recurrent attack upon this program. That is all there is to it.

Senator **Aiken**. I would say that under this proposal in a few years we would have either no program or no money; I don't know which it would be.

Senator MANSFIELD. Maybe neither.

The CHAIRMAN. That is debatable.

COMMUNIST AID

I think this is a part of the overall program you have to decide in your own mind, whether or not this country can continue to be prosperous and have money for its own purposes if it lets the rest of the world become allied with the Communists. The Communists are perfectly willing to do these things. They do it under a different approach, but I think they are willing to do it provided the countries will line up with them.

The only reason they are backing out on the Aswan Dam is not because they haven't got the money or the will to do it; it is because they are not sure Nasser is going to be tied to them. As long as they play ball with them they come through. They have proven that in other areas, and everything indicates they will have the ability to do it.

I think this is involved. If we can be prosperous and we can survive without the rest of them, then I am wrong in my judgment. My judgment is that over the long period this country and the free world have to draw together not only militarily but economically. The vast common markets have to be developed, and if we are to prevail this is part of it. I may be completely wrong. Nobody can prove these things. It is mostly intuition, I guess; it is your judgment as to how the various political and economic units will gradually coalesce, whether they will coalesce around us in the West or around the Communists.

Recent history would indicate the Communists are making greater progress than we are. Relatively speaking, there is no doubt they are. They are willing to devote their resources to this sort of thing. They are willing to take it out of the hides of their own people, and they are doing it. The standard of living in Russia is not being raised commensurate with the capacity that her energies and resources are being devoted to these other things.

Their judgment is that this is the long-term policy that will inure to their own financial and economic and political benefit.

THE VALIDITY OF THE PROGRAM

I think our fundamental choice is whether we think this foreign program is valid or not. If it is not, we ought to just forget about it.

That is my judgment about the Development Loan Fund. Either we ought to put it on a basis that makes sense on a long-term, or we ought to forget it. The way it is now, it is neither fish nor fowl. It is an inefficient program of one year's standing and it never will be effective under such a management. The best people at the State Department acknowledge that. The real objection comes from the people who are interested in the other aspect. That is from the Treasury and the Budget Committee.

Well, that is a long speech. But that is my best judgment. Of course, the committee will have to make up its mind on what it recommends.

I confess I am advocating we give up this military business to the other, to lessen the burden on the other part of the program, to make it more palatable and acceptable by the Congress and the country. If that is not true, then it is a bad amendment; then you ought to vote it down.

Senator CHURCH. Mr. Chairman, I just want to make a very short statement. I couldn't agree with you more. This is a very unpopular program. I think I am the only elected representative out of the State of Idaho who has ever supported it.

The CHAIRMAN. Yes.

Senator CHURCH. If the people of my State of Idaho were to vote on it in a plebiscite, they would vote it down 10-to-1, and every time I vote for it, it is at my peril.

The CHAIRMAN. That is right.

Senator CHURCH. I vote for it because I do think that it is necessary in the interests of preserving freedom in the world and freedom in America. But the program needs drastic reshaping, and it is the responsibility of this committee to reshape it. I am afraid if we take and cut half of it out and give it up to the Appropriations Committee, that that half will not be eliminated but will continue to grow under the surveillance of a committee that has too much to do to pay much attention to military assistance abroad.

FOREIGN AID: A PART OF FOREIGN OR MILITARY POLICY?

It is properly a part of our foreign policy. It is so justified and it constitutes about half the money we are spending, or more, 60 percent of the mutual security program. If we give up jurisdiction over it I don't think it will disappear; it will tend to grow larger and more burdensome, and the people will still hold the Congress responsible—perhaps not this committee, but people don't make distinctions with such subtleties.

The CHAIRMAN. Frank, if you will yield on one point—I don't want to argue with you here, but history shows that military matters are accepted almost with pleasure. Two or three times Congress has insisted on giving the military more money. That has never happened with any program, whether abroad or here. That is one of the considerations I had in mind. It is not unpalatable.

Senator CHURCH. If there is a way to take the $1.6 billion military assistance and make it a part of the military budget of this country, at the same time recognizing that it is an arm of our foreign policy, retain the full jurisdiction in this committee to decide how large the program should be, and to what parts of the world it ought to apply and in what amounts, then this I would favor very strongly. But to take this and just shift it over to another committee would be an abdication of a very important aspect of foreign policy that properly belongs here.

Senator AIKEN. Mr. Chairman, if this is made part of the military budget of this country, I can just see the competition between our industries here to get it. I don't think much of it would be used in a manner to which it is being used now, because every time that 1,000 men got laid off in some State their Senator would hear from them right off, and there would be heavy pressure to spend this money here.

The CHAIRMAN. Well, it is spent here now.

Senator AIKEN. A good share of it is already.

The CHAIRMAN. I think 98 percent of the hardware is spent here now—a very large percent.

Senator SPARKMAN. Eighty-five percent of the total is spent in this country.

The CHAIRMAN. Eighty-five percent of the total. But of the strictly military hardware it is a higher total.

Because our influence on the administration is not very direct, I would assume that if we have a very strong State Department and it is working through the President, whether it is in this budget or in the other budget, they certainly have an opportunity to influence what is done with it in the policies of the National Security Council or in the final decisions of the President. After all, he still has the final authority.

BUILDING OUR OWN DEFENSES

Senator SPARKMAN. Mr. Chairman, I have long felt—and I think you know this—that if the military part of the program—I won't restrict it to the military assistance—were carried as a part of our defense budget—after all what we are really doing is building our own defenses along with the defenses of the free world—openly and publicly before the people as part of the expenditures for that purpose, they would approve it, and it would make our burden easier with reference to the strictly economic part. I still believe that.

The CHAIRMAN. That is right.

Senator SPARKMAN. But the people back home lump it all together as a giveaway program.

The CHAIRMAN. That is right. That is exactly the point.

Senator SPARKMAN. And yet the military part they would not. I feel if we could make that budget show each year in some way that the people could read about and understand, that the economic part would not be so difficult.

The CHAIRMAN. It would be more——

Senator LAUSCHE. Would you yield for a question?

Isn't it possible that if you put the military part in the defense budget, the selling influence that the military part has upon the public in approving economic aid would be wrong?

The CHAIRMAN. That is the other argument.

Senator LAUSCHE. And my belief is that the people would say give aid here first and don't give it over there, and help is given to the approval of the economic aid when you tie it up with the military aid.

Senator SPARKMAN. But, Frank, when you break it down into your strictly military expenditures—that is military assistance and that part of defense support that is given only because of the military program that I think ought to be charged up to the military, and then the Development Loan Fund, as a big sector, the part that is left for strictly economic aid is very small.

I don't believe I have ever heard anybody object to our Four Point program, for instance, or technical assistance, or things of that kind.

The CHAIRMAN. That is the thing you have to weigh, because then it becomes so small that I don't think the criticism would be too great.

Senator SPARKMAN. It creates a better picture, and I think a truer picture, for the American people.

Senator LAUSCHE. Which item do we have before us now, the Mansfield amendment or the Fulbright?

The CHAIRMAN. All this conversation, of course, is relevant to the question in this very simple amendment as to whether or not it would be turned over to the military.

They are both before us, and what the committee has to do is to make its choice as to which one it wants. They both relate to the same problem. My amendment makes it discretionary to the President to put this into the Defense Department, as Senator Sparkman just described.

Senator **Sparkman**. It seems to me the real difference between the two is this: that the Mansfield amendment would take away from us the annual review.

It seems to me that is the essential difference.

NO OPEN-END AUTHORIZATIONS

Senator **Mansfield**. That is what it amounts to, and there would be no open-end authorizations under my proposal. There could be under the Appropriations control, because that is the only committee it would go to. Let the President decide it. I wanted to put it there as we did 2 years ago, and it was approved by this committee and turned down by the House.

The **Chairman**. We approved it.

Senator **Gore**. Mr. Chairman.

The **Chairman**. The Senator from Tennessee.

Senator **Gore**. I would like to have half a minute.

The **Chairman**. You may have all you want.

Senator **Gore**. I confess that I have been one of those who in the past has been perhaps mesmerized by military aid. But since being on this committee and examining what constitutes military aid, and to whom it goes, I am no longer mesmerized.

DOES MILITARY AID ENHANCE U.S. SECURITY?

Quite on the other side of the fence, heretofore I have been inclined to support military aid as an economic way of obtaining more security, and I guess I have been accepting some of these bland and generalized statements that we get as much as six or maybe seven times as much defense for the dollar. But I want somebody to explain to me just how much defense we are going to get for a squadron of jet fighters to Haile Selassie, and how it is that this military armaments race we are sponsoring in South America is adding to the security of the free world.

I am not too blind to want to make it easier to obtain appropriations and authorizations for military aid. I would like to see it stand alone, so we can look at it and examine it with care.

Is that the purpose of, or contrary to the purpose of, the amendment of the Senator from Montana?

Senator **Mansfield**. That is the purpose. The amendment of Senator Fulbright, as compared to mine, offers us two alternatives, both good, but both different.

One of them gives you the possibility of losing complete control of military aid, putting it in the Appropriations Committee where there will be no limit on expenditures.

The other makes the Defense Department look at it more closely when they compare it with the domestic defense budget.

There are no open-end authorizations contained in it, and it means a little more pressure on them to live up to what I assume the majority of the American people want them to do.

Senator **Aiken**. Mr. Chairman, may I say just a word?

OPEN-END AUTHORIZATION

First, with regard to the Fulbright amendment, open-end authorization with funds being available until expended has been one of the babies of our career government since I have been here, more than 20 years. If it is open-end, there should be some control over it.

Let me get it here. It should not remain available until expended, if it is open-end, because I think we get into all kinds of trouble.

We have had trouble with open-end authorizations in the past, particularly those that are made available until expended. We never can find out where you stand and you never can find out how much isn't expended. But when you have an open-end authorization with funds remaining until expended, you might as well tell the career government to take over, because the political government is at a very definite disadvantage. So I couldn't vote for that. I could vote for remaining available until expended, but it should be a definite amount authorized to remain available until expended.

When it comes to Mike's amendment, I can see that is a bit more palatable, but not enough so that I would want to vote for it.

I think if the committee doesn't mind, I would vote against both amendments.

[Laughter.]

Senator **Mansfield**. We don't mind.

The **Chairman**. We don't mind. We will just put it up to you.

Senator **Aiken**. But I do happen to think with about 10 or 15 years on that career government program, open-end authorizations to remain available until expended, the legislative branch is sure out of luck. We are out of luck enough right now.

The **Chairman**. Aren't the present appropriations available until expended?

Senator **Aiken**. Yes, but the specific amounts are available until expended, and that gives them control enough without——

OBLIGATING FUNDS

Senator **Sparkman**. That is not necessarily true. They have to be obligated within a certain time, don't they? I don't know.

Senator **Mansfield**. Obligated or reserved.

Senator **Sparkman**. Yes.

I want to make this suggestion, Mr. Chairman.

Senator **Aiken**. You just can't find out where you stand with them under those conditions.

Senator **Sparkman**. In your amendment, instead of making it an open-end for all time, let's make it for 2 years, 1960–1961, and then tie the Mansfield amendment to it for the budgetary requirements.

That is what we did once. Something was said here a while ago about our agreeing to a long term.

You remember that upon the request of the Secretary of Defense—I think it was about 3 or 4 years ago—we did make a 2-year program in this committee. It was not agreed to eventually in conference, but we did. That will give them some flexibility, but at the same time will throw it back to us 2 years from now so far as military assistance programs are concerned.

Senator LAUSCHE. What happens at the end of 2 years to unexpended and unobligated funds?

Senator SPARKMAN. I don't know the effect of that.

Senator LAUSCHE. Under the present provision, the authority to spend lapses at the end of one year. Is that right?

Senator MANSFIELD. No.

Senator AIKEN. No.

Mr. MARCY. It couldn't; it has to be obligated.

Senator MANSFIELD. Or reserved.

Senator SPARKMAN. It must, in other words, get into the pipeline.

Senator AIKEN. It is a fixed amount with a limitation on the amount authorized to begin with.

Senator MANSFIELD. You will recall that about 3 years ago we got a reserve obligated something on the order of $600 million or $700 million within the last 24 hours of the last day of the fiscal year. In other words, they had that hanging over.

Senator KENNEDY. Will the Senator yield?

Senator AIKEN. They obligate them before the first of July and rescind the obligation after they allocate them. The Bureau of Reclamation, you will recall, Mike, used to be a specialist at that. They wound up the last of June and had to have more money for the rest of the year to operate it. Then they would show up September 1 with a whale of a lot of money and we didn't know where it came from.

Senator MANSFIELD. I wish they would find $4 million for Yellow Tail.

Senator KENNEDY. Senator, it seems to me one of the beneficial effects of your amendment is this is really a subsidy to the Defense Department anyway, because it enables them to get rid of surpluses and therefore gives them funds with which to buy new weapons. Therefore the Defense Department is a lobbyist for larger military end-items distribution because every dollar that goes into it represents a dollar for them to buy new equipment. So I think your amendment is all right.

COMMITTEE JURISDICTION

Now the question is, under the amendment would the authorization for the foreign military assistance part of the defense budget go to the Armed Services Committee or this committee?

Senator MANSFIELD. This committee.

Senator KENNEDY. Under what language?

Senator MANSFIELD. Because what we are doing is under the section——

Senator KENNEDY. In other words, the Budget Bureau would continue to separate the foreign military assistance in its budget, and that item would go—how would it be different from what it is today?

Senator MANSFIELD. Here is how it is different: because the law states that the Secretary of Defense shall under this program have certain primary responsibilities.

Now this amendment will put pressure on the executive branch to examine the budget on foreign military aid with the domestic defense budgets, which they don't do now, because when they come in, the $1 spent this way is equivalent to $7 spent in our domestic defense budget. It will require them to make a decision as to whether any dollar spent will be better to spend on domestic. It will not end the annual congressional review by this committee on an annual authorization. The amendment will not give the Defense Department an open-end authorization for military aid.

Senator **Kennedy**. I think this whole military aid——

Senator **Mansfield**. One more thing, John, in response to what you said. It may make the Defense Department less eager to seek dollars for foreign aid if they have to choose between use abroad and at home.

Senator **Kennedy**. I think that is useful, if they regard every dollar abroad and every dollar for themselves. So of course they lobby for more and more.

Senator **Church**. I concur in what the Senator from Massachusetts and what the Senator from Tennessee said. I support the Mansfield amendment for the reason he has mentioned, in addition to which it retains full jurisdiction of this committee over the size of the military support program each year.

I oppose, not for political reasons but for different reasons, the combination that has been suggested by Senator Sparkman, and also the Fulbright amendment, apart from that combination, because it seems to me that military assistance is foreign policy. We recognize that in the law. We say the Secretary of State shall make a determination. It is foreign policy; it is not a part of military defense, but a part of the foreign policy of this country. And what effect it has upon our military defense is collateral to that, and there is grave reason to suspect that it might be very bad foreign policy in some parts of the world.

So we give it to the Secretary of State, and that is properly the jurisdiction of this committee to decide what ought to be the shape of American foreign policy. How you could divorce the military assistance program from that and have anything more than half a loaf left, I just can't see. And to transfer jurisdiction to other committees of the Congress in a field so important to American foreign policy, I think would be an abdication of a very essential part of our responsibility.

"DIRECT COMPETITION"

The **Chairman**. Any further discussion?

Mike, I don't quite get one point that you made an explanation of. If it is budgeted so as to come in direct competition and yet it still comes to this committee—I thought you were turning it over to the military. How does it still stay here?

Senator **Mansfield**. George, will you give us the information about that?

Senator **Gore**. I don't like the words "direct competition." Can't you substitute something for that?

Senator **Mansfield**. We can find another word. Let's hear a declaration from George first, because I think it ought to come in direct competition; we can take the word out and keep the same meaning.

Senator **Gore**. Well, comparative analysis, subject to estimate of comparative values. Competition is not good. Excuse me.

FIXED MONETARY LIMITATIONS

The **Chairman**. Before he goes to make the point, there is no question in my mind about the effect of my amendment. I would be perfectly willing to change it in this sense before he discusses that, for purposes of comparison, that "there are hereby appropriated to the

President as part of the Defense Department budget for fiscal years 1960 and 1961, such sums," and so on. In other words, I have no objection to taking off the open-end part of it, if that is objectionable, and I hope the effect of that language is to put it into the Defense Department so it would not come here.

With that, go ahead, George.

Senator **Aiken**. We put a limitation on next year.

Mr. **Marcy**. I might remind the committee that 2 years ago when this came up, the committee did fix monetary limitations. It said for the next year the amount authorized to be appropriated was $1.6 billion, and for the subsequent year I think they said, and shall not exceed that amount. So it was closed up.

The **Chairman**. That is right.

Go ahead, George.

Senator **Mansfield**. George was in this.

Mr. **Denney**. If Senator Mansfield's amendment were adopted, under the present situation the Bureau of the Budget gives the Pentagon two numbers against which the budget—they say you may have $40 billion, say, for your domestic programs, and you may have $1.5 billion, or $2 billion, for your foreign aid program, and the budget processes go on separately against the target figure of $40 billion and the domestic programs are budgeted; against the target figure of $2 billion the foreign military aid is budgeted, and the two meet only in the Bureau of the Budget, so to speak.

Whereas if the President gave the Pentagon one figure and said, "Out of this figure you will pay for both the domestic budget and the foreign military aid budget," there would tend to be a greater competition between the two kinds of programs.

Senator **Kennedy**. How would it become authorized in this committee, though?

Mr. **Denney**. Senator Mansfield's amendment would not change the present method of the way the Congress deals with it.

Senator **Lausche**. Both of you say that, but neither of you point out the language that you rely upon that will not change it.

Senator **Mansfield**. Yes, I pointed it out. Section 523 has been read several times, and here is the exact language of the law as it now reads and which would stay the law:

> . . . the Secretary of Defense shall have primary responsibility for—
>
> (1) the determination of military end-item requirements;
>
> (2) the procurement of military equipment in a manner which permits its integration with service programs;
>
> (3) the supervision of end-item use by the recipient countries;
>
> (4) the supervision of the training of foreign military personnel;
>
> (5) the movement and delivery of military end-items; and
>
> (6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.
>
> (b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

That is in the law now, section 524.

Senator **Lausche**. That tells how it shall be administered after it is once carried down to the end. Do you feel that language means that the item would still be budgeted the same way as it is now?

Senator **Mansfield**. In a sense, yes, except that there would be this direct competition, so that, as George points out, instead of having two separate budget requests you would have one; and it would be up to the Defense Department to make the decision on the basis of what is best for our country and what is best for foreign aid.

As Albert has pointed out, they have told us many times over the past decade that $1 spent this way is equivalent to $6 or $7 spent in our own domestic defense setup. This would make them prove it.

HISTORY OF JURISDICTION

Senator **LAUSCHE**. Mr. Chairman, may I ask this question again? I have asked it before:

Is this military aid budget now under the Department of State? I understand it is—ICA, Department of State.

Mr. **DENNEY**. You really have two questions involved.

The reason that the miliary aid comes to this committee now is because the President sends up a separate request for a 1-year authorization for military aid appropriation. And that appropriation is made to him rather than to the Department of Defense.

That is what the existing law provides.

Senator **SPARKMAN**. Let's move back a little. When the first request was sent up, the question was, Frank, to which committee it should be referred. It was recognized that both the Foreign Relations Committee and the Armed Services Committee had interests in it, and that either one may have jurisdiction over it.

It was decided then that it would be referred to both committees, and as a result both committees sat around the table and considered the bill. We did that, I think, 2 years.

Then the Armed Services Committee decided that they would prefer it come to our committee, be considered by us, and then be referred to the Armed Services Committee before being placed on the calendar. And that was done for about 2 years.

Finally, the Armed Services Committee said, "We just don't want anything more to do with it."

That is really roughly the history of the jurisdiction of this committee, if that is what you are thinking of as to how it stays in this committee.

The actual operation of the budget, as I understand from what you said a few minutes ago, is that the military assistance carried in this program is referred by the Budget Bureau to the Defense Department, and they are told to submit two figures, one for their domestic defense and another for their foreign aid defense, military assistance.

Mr. **DENNEY**. Yes.

Senator **SPARKMAN**. If this amendment is adopted, then in the future they will be given $1 billion instead of $40 billion for this one, $2 billion for this; they will be given $42 billion and you work it out.

Mr. **DENNEY**. Then after the budget is worked out, unless Senator Fulbright's amendment is adopted, they will split the amount apart, and they will send up a 1-year request, as they have been doing, which will go to this committee.

Mr. **MARCY**. It is as if the Mansfield amendment were amended in such a way so that it says "programs of military assistance authorized by this Act." That is implicit in his language.

Senator **SPARKMAN**. That is right.

Mr. **MARCY**. So for that reason it would have to come back to this committee to be freshly authorized.

YIELD JURISDICTION

Senator **Kennedy.** Mr. Chairman, it seems to me if you want to do what you are going to do, it should really be turned over to the Armed Services Committee, but as long as you are going to keep it as a separate item they will keep it down at the department as a separate item, as they have been doing. So long as they are dividing it foreign and domestic, and the foreign would go to the Foreign Relations Committee, they will continue to do just as they are going to do. Then I think we ought to yield jurisdiction.

The **Chairman.** That is what mine does; it yields.

Senator **Sparkman.** It doesn't yield, it surrenders.

Senator **Mansfield.** It gives them an opportunity.

Senator **Kennedy.** I think that would be all right as long as you didn't do it indefinitely.

The **Chairman.** I said take 2 years. I was suggesting that there had been authorized to be appropriated to the President which is usually as part of the Defense Department budget for fiscal years 1960 and 1961, and so-and-so. It is the simpler way.

Senator **Hickenlooper.** You use the term "such sums," you don't make a limitation.

The **Chairman.** At the moment we don't have any sums. We can put in whatever sums you want.

Senator **Hickenlooper.** I see a disadvantage in attempting to put in a sum for 2 years.

The **Chairman.** We did that once, Bourke.

Senator **Hickenlooper.** I would prefer to leave it "such sums for the next 2 years," and they can fight it out with the Appropriations Committee. I don't like this complete indefinite authorization. I would prefer a limitation.

The **Chairman.** Put a ceiling on it.

Senator **Hickenlooper.** No, no; I mean timewise. I have no objection to the language of ceiling.

AUTHORITY OF THE APPROPRIATIONS COMMITTEE

Senator **Aiken.** If it is left open-ended, doesn't it put it up to the Appropriations Committee to go all over the work we have been doing in the last few weeks?

The **Chairman.** The Appropriations Committee has to go over it anyway.

Senator **Aiken.** If we didn't put in any amount at all, they would have to start almost from the beginning to carry out their responsibility, wouldn't they?

The **Chairman.** Of course, I think in the executive departments they have to get together and evaluate and weigh the program. They do it now and they will do it under this. There are all sorts of angles to it.

The one that appeals to me is to make our foreign aid program look a little more realistic than it is. We are going to have a hard enough time in this program as it is.

Senator **Aiken.** To put in the amount to remain unexpended and cut off the open-end, because we are in effect turning it over to the Appropriations Committee. And what is the use of our having hearings?

The CHAIRMAN. I don't know what we can do. The Senate is in session; we have nominations up. I don't know whether we can make any more progress.

Senator KENNEDY. Mr. Chairman, I must say I don't think any of us know anything about the military end-item. We have hearings about it; we are just going through the motions.

The CHAIRMAN. We have been doing that every year since I have been here, and we have very little control over the military. They do as they please.

WHAT IS FOREIGN POLICY?

Senator CHURCH. I don't think the military Appropriations Committee should decide whether Trujillo or Argentina or others get arms. This is a part of the foreign policy of the United States. How you can divide it and say, "Let the Appropriations Committee or the generals do it," I just can't see, because it has too vital an effect upon the foreign policy interests of this country, and it is properly a decision we have to make. We are not passing on the technical aspects of this, anyway. We are passing only on the propriety of having military assistance programs and the general scope of those programs in various parts of the world.

If that isn't foreign policy, what is it?

Senator SPARKMAN. That is the only justification you can use for putting those 13 jets in Ethiopia. It was to satisfy their national pride, and to give us that listening post there.

Senator CHURCH. We say let the Secretary of State have a final decision as to whether or not there should be a military assistance program and the general scope of it. All this committee does is pass on the general authorization and scope of any given country. The details we don't pass on. That is left to the experts, anyway. The actual appropriation is made through the Appropriations Committee, anyway.

But to say we should turn it over, when today it is an essential part of our foreign policy, is doing us extensive damage in many parts of the world. And to say, "We abdicate here," and turn it over to the subcommittee of the Appropriations Committee to decide, just makes no sense to me.

Senator LAUSCHE. Mr. Chairman, I don't think you can separate the two. I believe they are inseparable, and that it ought to be handled by one committee. The military aid is an integral part of the economic assistance, and the economic assistance is related to the military aid. I don't think we ought to separate them, because one will be dealing with a part without knowing that we are dealing with the other part adequately.

I subscribe to the views of Senator Sparkman and Senator Church.

NOT CAMOUFLAGE THE ISSUE

Senator WILEY. Mr. Chairman, I have been rather reticent about expressing my opinion.

The CHAIRMAN. Well, you shouldn't be.

Senator **Wiley**. I am afraid that I agree quite fully with Senator Church, and I want to say why.

In the first place, you made a fine talk this morning but you missed one point, and that is the imperative need of selling what you said to the people of this country.

Now, you can't camouflage the fact that there is a great deal of dissension among bankers and everybody else, because they don't understand the significance of this program.

I, for one, feel that the military and the economic are part of our foreign policy, and I don't believe in camouflaging either angle.

I do believe that the purpose of this committee is to make the matter so clear in its statement that whoever reads can see that this is part of sustaining the life of America. It is a national defense proposition.

That doesn't mean that we should dissipate or permit dissipation of this money, but it does mean, in my opinion, we don't want to camouflage the issue.

Senator **Aiken**. Well, abdication now would be complete nullification of the Mansfield amendment just approved an hour ago.

Senator **Church**. Of course. It would be an act of inconsistency. You can't do both.

Senator **Aiken**. You can't do both.

DELAY THE VOTE

The **Chairman**. Before you two leave, I just want you to know that tomorrow morning we will have a 10:30 meeting, and we will have two people to explain the Baghdad Pact. They could not come today; they didn't have anybody available. We will continue to mark up.

This afternoon at 4:30 we will meet to hear Mr. Parsons on the matter we discussed yesterday.

Senator **Mansfield**. Mr. Chairman, would we have a vote on this amendment before we leave?

The **Chairman**. If everybody is leaving, I don't know——

Senator **Hickenlooper**. I think there is a solution to this. I am not satisfied at the moment on the whole proposition. I am very sympathetic to the idea that we must give some assurance of a period of continuation to this program. I am not satisfied with the complete unlimited authorization period. I am interested in some kind of limitation on the authorization period, but I am perfectly willing to go along with it so far as more than 1 year is concerned. I am just not ready to vote on it yet.

The **Chairman**. Let's go over, then——

Senator **Hickenlooper**. I would like to think it over a little and let it go over to tomorrow.

The **Chairman**. Let's think it over and let the staff give some thought to it.

Senator **Hickenlooper**. The question involved is whether or not in a limited appropriation or authorization period of say 2 or 3 years, we are going to finance an amount each year, which has its difficulties, and I can see those. Are we going to leave that completely up to the Appropriations Committee each year? I would like to think about that a little.

The CHAIRMAN. I don't think it serves much purpose to vote on these when there is still so much disagreement. Maybe our views will crystallize in the next few meetings.

Tomorrow, and I hope the next few meetings, will move a little more rapidly and have just enough discussion to bring out the problems and try to get through and then come back prepared, after we have had a chance and these problems have been rated, to vote on it and confirm it.

I believe that is all for today. The committee is adjourned.

[Whereupon, at 12:15 p.m., the committee adjourned, to reconvene at 10:30 a.m., Friday, June 5, 1959.]

NOMINATION OF J. GRAHAM PARSONS

[EDITOR'S NOTE.—In April, President Eisenhower nominated J. Graham Parsons, former Ambassador to Laos, as Assistant Secretary of State for Far Eastern Affairs, and the Senate confirmed Parsons on June 5. Shortly afterwards the House Government Operations Committee issued a report charging that Parsons had abetted in the removal of a Mutual Security Administration auditor named Haynes Miller, who allegedly was on the verge of uncovering widespread bribery and mismanagement in the U.S. aid program in Laos, and specifically the bribery of a U.S. aid mission official by the Universal Construction Company. These charges also coincided with a series of newspaper articles exposing waste, inefficiency, and corruption in the U.S. military and economic aid program in South Vietnam, charges into which the committee would later launch a full-scale investigation.]

THURSDAY, JUNE 4, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to adjournment, at 4:35 o'clock p.m., in the committee room, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Mansfield, Morse, Gore, Lausche, Wiley, Hickenlooper, and Aiken.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, Mr. Newhouse, and Mr. Cohen of the committee staff.

The CHAIRMAN. Mr. Parsons, you know what the occasion for this meeting is.

The best way, perhaps, is to let you start out with a statement and then we can ask some questions. That might be the best way.

Are you aware of the Hardy memorandum with regard to the developments in Laos when you were there?

STATEMENT OF J. GRAHAM PARSONS, NOMINEE TO BE ASSISTANT SECRETARY OF STATE

Mr. PARSONS. I am not aware of the specific memorandum, Mr. Chairman.

The CHAIRMAN. You testified at some length over there.

Mr. PARSONS. I did, indeed.

The CHAIRMAN. And of course we in this committee received the letters based upon your testimony and other testimony in the committee after we had acted.

We thought it would be very wise to try to clear up some of this matter before we proceed any further.

Mr. **Parsons**. I am gratified, Mr. Chairman, that I do have the opportunity to answer any questions which may have been raised in the committee's mind.

The **Chairman**. Well, there are several questions.

Maybe this will be the best way to proceed and pinpoint it, and then at any time you may volunteer any information you may care to.

SALE APPROVAL FOR PERSONAL PROPERTY

For example, among other things, were you required to approve the sale of all automobiles belonging to staff members? What is there to this matter of the sale of an inoperable automobile?

Mr. **Parsons**. This relates to testimony regarding the sale of an old Cadillac belonging to the then Mission Director, Carter DePaul, in Vientiane——

The **Chairman**. Yes.

Mr. **Parsons** [continuing]. Where, as in other posts, due to exceptional conditions, one could make a very large profit on the sale of goods imported for personal use. We, in our Embassy, had regulations, rather strict regulations, governing the sale of personal property.

The personal property usually offered on the market were such things as automobiles, radios, phonograph records or other items that were scarce in the community, and imported for the personal use of an officer.

This particular automobile had been purchased by Mr. DePaul elsewhere—I believe in the States—and he had it at his previous post in Saigon.

When he was transferred to Laos in January 1955, he left it there, and when he found that the then Chief of Mission, Charlie Yost was driving around in a Jeep—we had just opened our resident Mission there, our resident Legation it then was, now an Embassy—he made arrangements to have it flown up to Laos free of charge by the French Air Force.

It was then used by Mr. Yost, I believe, for about 4 months, as the Chief of Mission vehicle.

Subsequently it broke down, as I understand it. It was not operating during the time that I was in Laos, but it was sold at that time, and under our regulations any property sold was sold pursuant to regulations which I promulgated.

The **Chairman**. Did you approve the sale?

Mr. **Parsons**. Yes, I approved all sales.

The **Chairman**. All sales.

Mr. **Parsons**. But actually we had a property control committee which reviewed each individual transaction.

The **Chairman**. Yes.

Mr. **Parsons**. And many of these transactions were approved for me, signed for the Ambassador by whoever was the authorized officer, normally the administrative officer.

The **Chairman**. Yes.

Mr. **Parsons**. I knew of this particular sale. I do not remember whether I actually signed the document or not.

Senator **Aiken**. Will you repeat, Mr. Chairman, what sale you are speaking of?

The CHAIRMAN. This is the sale mentioned in the letter, of a Cadillac automobile by Mr. DePaul, is it not?

Mr. PARSONS. Carter DePaul.

The CHAIRMAN. To Mr. Everett McNamara—no, wait a minute.

Mr. PARSONS. I think he sold it to Universal Construction Company.

The CHAIRMAN. To a Universal employee, according to this letter. Well, what was the price of it? Why is this a matter of such interest?

Mr. PARSONS. I really do not know, sir. I assume that it sought to establish that, by reason of the sale of this car to a Universal Construction Company employee, some improper relationship existed between Mr. DePaul and a contractor.

NOT A QUESTION OF OVERPAYMENT

Senator SPARKMAN. Wasn't it a question of overpayment?

Mr. PARSONS. No, sir. It was not overpriced, so far as our Embassy regulations are concerned, and those regulations were established only after I had checked with Phnom Penh where a similar situation existed at that time; there was a disparity between the official rate of exchange and a free rate of exchange, very similar to the situation in Vientiane. And, after consultation with that Embassy—and I believe also with Saigon—we promulgated our regulations which were to the effect that nobody could sell a car for greater than the dollar value paid in the beginning.

This was very much less than it could be sold for on the local market.

Chevrolets could probably be sold for $6,000 or $7,000 at that time.

Senator LAUSCHE. Was your rule that it could not be sold for more than was originally paid for by the seller?

Mr. PARSONS. Yes, sir.

Senator LAUSCHE. That is, if he paid $500 for it he could not sell it for more than $500?

Mr. PARSONS. That is correct.

Senator GORE. And the sale was made in accordance with the regulations?

Mr. PARSONS. Yes, sir; it was.

It was reviewed by the property control committee and then authorized.

Senator GORE. What wrong, then, has been alleged, if you know? I am not acquainted with it.

Mr. PARSONS. I have not seen the testimony and I do not know whether any wrong was alleged or not. I speculated that possibly the fact of the sale to a U.S. contractor was——

Senator GORE. What was inoperable? My own car has become inoperable on one occasion. Was this a serious breakdown? Was there something wrong with the ignition? Was it a dilapidated, worn out vehicle or did it need some repair?

Mr. PARSONS. It was an old Cadillac, and I believe it needed major repairs which, of course, are very difficult to effect in Laos. The buyer, of course, could effect it.

Senator GORE. Do you know at what price it was sold?

Mr. PARSONS. No, sir; I don't remember the exact price.

Senator AIKEN. The sales price reported to the Hardy committee was $4,460.

Mr. Parsons I beg your pardon, sir. I am quite sure it was very much less than that. It was a package sale of the car, a rather expensive hi fi set, and an expensive set of records to which I had the pleasure of listening many times.

Senator Aiken. Mr. McNamara told the committee he sold this automobile to an employee of the Universal for $4,460, after receiving half payment in cash, and he testified that he had been allowed to keep the car without making a refund of the down payment.

Mr. Parsons. That is another automobile, Senator.

Senator Aiken. How many automobiles were sold in that fashion over there? Excuse me.

Senator Gore. Go ahead.

Senator Aiken. I thought this was——

TWO DIFFERENT SITUATIONS

Mr. Parsons. There were two different sets of things that I believe Mr. Hardy's committee was seeking to establish.

In the case of Mr. DePaul, he was investigating a particular transaction, the sale of property by an officer who was leaving the post.

In the case of Mr. McNamara, who had admitted accepting checks from the U.S. contractor—he is the one who was shown to be a black sheep, so to speak—he was trying to establish what other things he had done that were wrong.

Senator Aiken. He received half of the $4,460 in cash, and then was permitted to keep the car. Isn't that according to the testimony that Mr. McNamara gave to the House committee?

Mr. Parsons. That transaction was not carried out with the knowledge of the Embassy. We have no knowledge of any such transaction. I do not know when that particular car was sold. I think it was after my time there.

Senator Aiken. Did the newly arrived ICA Director, Mr. Carl Robbins, call your attention to the fact that Mr. Peabody's purchase of DePaul's inoperable car at a substantial price created a modern scandal? Did he so advise you?

Mr. Parsons. No, sir; I do not recall that he did.

I do remember that I went into this because of Mr. DePaul's position, and because he wanted me to know about it. And I concluded that it was within the meaning of the regulations, and there was no reason why the transaction could not go forward.

Senator Aiken. Do you know how many automobiles were sold to Mr. Peabody or the Universal Company?

Mr. Parsons. No, sir; I am afraid I do not. It would not be unusual for a U.S. contractor there to try to pick up automobiles from departing personnel because it was very difficult to get cars into Laos.

Senator Aiken. You do not know how many automobiles, then, were sold by staff members of the ICA or——

Mr. Parsons. We have all those records; we could get them.

Senator Aiken. You have all the records?

Senator Sparkman. That is a vote on the treaty. I would suggest that we go up and vote and come back. We ought to be back in 10 minutes. We will have a recess until 5 o'clock.

[A short recess was taken.]

Senator SPARKMAN [presiding]. Senator Aiken was asking questions when we left, was he not?

Mr. PARSONS. He was asking me, sir, how many cars had been sold subject to this procedure.

Senator SPARKMAN. Yes.

Mr. PARSONS. While we were adjourned I telephoned my office and, according to the records in the Far Eastern Bureau, 18 cars were sold from April 23, 1957, which was shortly after these regulations were promulgated, until October 1958 when, with devaluation, the need for such regulations no longer existed.

Senator SPARKMAN. Were all of these sold while you were there?

Mr. PARSONS. No, sir. I left in February 1958.

BLACK MARKET OPERATIONS

Senator SPARKMAN. Well, are the cars that were sold while you were there the only ones you can think of? Were they sold in full accord with regulations that had been issued?

Mr. PARSONS. All the ones that were sold while I was there—that I had any knowledge of, they had to be; otherwise people would be in trouble.

Senator SPARKMAN. In other words, it was not a black market operation?

Mr. PARSONS. No, sir. The precise purpose of these regulations was to——

Senator SPARKMAN. Prevent black market operations?

Mr. PARSONS. To prevent any possible abuses.

Senator SPARKMAN. And you say they were sold at what would be regarded there as a fair price and not inflated prices?

Mr. PARSONS. They were sold at what was a modest price in relation to the local market.

Senator SPARKMAN. Yes.

Mr. PARSONS. But by reason of the abnormal conditions in the local market you could sell a 2-year-old Chevrolet for much more than the original cost price.

Senator SPARKMAN. Mr. Parsons, of course this difficulty arose, as you understand, from a subcommittee of the House Government Operations Committee, Porter Hardy's subcommittee.

Mr. PARSONS. Yes, sir.

Senator SPARKMAN. I have not read either the hearings before that committee or the report of the committee. I have not read the letter that we had over here, but we do have a very brief outline or excerpts prepared by our own staff regarding it.

It seems—and I will be glad to be checked on this—that part of this trouble arose as a result of some difficulty regarding a Mr. Miller, who was an auditor of the General Accounting Office, wasn't he? Do you know?

Mr. COHEN. He was with ICA.

Senator SPARKMAN. ICA. But he was an auditor?

Mr. COHEN. I believe that is right.

Senator SPARKMAN. Do you recall Mr. Miller?

Mr. PARSONS. Yes, sir. I had a very slight acquaintance with him. He was a junior employee of the aid mission there. His function was to conduct end use checks on material that was given to the Lao or furnished to the Lao under our aid programs.

Senator SPARKMAN. It seems that all this was tied up with a recommendation that you are supposed to have made to the State Department recommending the Universal Construction Company, and that you gave Mr. Gerald Peabody of that company a letter of recommendation for us in contract negotiations in Washington. Did you do those things?

Mr. PARSONS. No, sir; that is not an accurate representation of what I did.

REBUTTAL OF HAYNES MILLER TESTIMONY

I am glad to have an opportunity to explain this because the testimony of Mr. Haynes Miller was given in public session some weeks after Mr. Robertson and I testified in executive session. And since then I have written to Mr. Hardy a couple of letters giving my reactions to some of the things which Mr. Miller testified to: I have not had the opportunity to deal with any of these matters before Mr. Hardy's subcommittee.

Senator LAUSCHE. Let me interrupt there. After they had a public hearing you wrote about the same items, and have you not been given an opportunity to give your understanding of what took place?

Mr. PARSONS. I have not been asked to testify on those points.

Senator LAUSCHE. Although in your letters you said that you took exception to the reports or the statements?

Mr. PARSONS. I have here three letters which I wrote to Mr. Hardy, Senator—and none of them are a direct request to testify—which were ignored.

If I may read a couple of sentences from it——

Senator SPARKMAN. Wait, I am not sure I got that statement accurately. You have three letters?

Mr. PARSONS. Yes, sir.

Senator SPARKMAN. You did not ask in any one of them expressly that you be allowed to testify; is that right?

Mr. PARSONS. Let me check what I said here in the letter of April 3. I said that "I had been hoping that after the Easter recess I would have the privilege of appearing again before your committee in open session as there were several references to me in testimony given by Mr. Haynes Miller with which I would like to deal."

And then I explained that I just had been directed to substitute for Secretary Robertson on a long trip to the Far East.

Senator SPARKMAN. The thing that created a little misunderstanding on my part was that you used two expressions there, as to whether you made a request or did not make a request to testify, and also with reference to the letters being ignored. Have the letters been answered?

Mr. PARSONS. No, sir; they have not. I do not think they would necessarily require answers.

Senator SPARKMAN. Oh, yes.

Senator LAUSCHE. That is, you do not want to say they were ignored; they were not answered.

Mr. PARSONS. I do not want to appear to criticize Mr. Hardy for his conduct of his affairs. That is what I am trying to say.

Senator LAUSCHE. Well, were the letters not answered?

Mr. PARSONS. The letters were not answered.

Senator LAUSCHE. All right.

Senator SPARKMAN. But you say they did not necessarily call for an answer.

Mr. PARSONS. When I write to a Congressman it is his privilege to answer or not as he sees fit. I mean I do not expect an answer.

Senator SPARKMAN. I want to tell you what my rule is: if you are my constituent I will surely answer. If you are not I may not. [Laughter.]

THREE LETTERS

Mr. PARSONS. Senator, in the letter of April 3 I said:

"I will, of course, be at your disposal any time after my return early in May but in the meantime should like to make several points clear." Then I proceeded to do so.

Senator SPARKMAN. Would you like to make those a part of our record?

Mr. PARSONS. Yes, sir; I would be happy to.

Senator SPARKMAN. If there is no objection I think it well to have them printed at this point.

Senator WILEY. Are there three of them?

Mr. PARSONS. Yes, sir; three letters. One is classified, but this is an executive session.

Senator SPARKMAN. This is an executive session and, of course, before it is published you will have an opportunity to take out any classified matter.

Senator WILEY. What is the date of the second one?

Mr. PARSONS. The second letter is dated May 20.

I said:

"I have just returned from my tour of the Far East, and, as I suggested in my letter of April 3, 1959, I am available to provide information which you may desire to have from me."

Senator WILEY. What is the third one?

Mr. PARSONS. The third one is dated May 29, 1959, but it is of a different character, Senator.

Mr. Hardy wished to publish in his record the May 20 letter; at least that is my understanding.

However, he asked me to delete one portion which I regarded as of considerable importance in keeping the record straight. So I wrote the third letter to tell him that I was perfectly willing to accede to the deletion of this testimony because that part of the letter was classified, but I did want to write the letter so that it would be on his records that I clearly had an answer to this particular allegation.

Senator LAUSCHE. Would you mind reading that letter?

Mr. PARSONS. Yes, sir; I will be glad to read it:

DELETION FROM MAY 20 LETTER

"I am writing to confirm the deletion of a portion of my letter to you of May 20th as suggested by the Foreign Operations and Monetary Affairs Subcommittee of the House Committee on Government Operations.

"The portion to be deleted reads as follows:

"'The timing of the GAO visit to Laos was related, to my knowledge, only to the factors covered in my testimony before the Subcommittee on the Far East and the Pacific of the Committee on Foreign Affairs last year, when I said: '"—may I interpolate that in testimony it was alleged that we sought to have this visit of the General Accounting Office delayed because there was pending legislation on the Mutual Security Program of importance to the Department, and that that was our motive in seeking to have the visit delayed.

I wrote in this letter, quoting from my testimony:

" 'At that time' "—this is testimony of 1958 when our recollection as to precisely what happened was one year fresher—" 'At that time, as you know, we were engaged in monetary reform negotiations which had entered an important phase in the beginning of October and we were anticipating a visit from the Prime Minister and three of his Cabinet Ministers. Under those circumstances we requested and persuaded representatives of the General Accounting Office to consider a postponement of the actual dispatch of the Mission so that it would not coincide with the most delicate phase of our negotiations on monetary reform.' "

That was to set straight the record which had not been contested by any witness who appeared subsequently, by contrary testimony.

Senator SPARKMAN. What is all of the classified part in that? After you started quoting, from then on.

Mr. PARSONS. The whole letter——

Senator SPARKMAN. The part that you were going to delete.

Mr. PARSONS. This was the letter relating to the part that Mr. Hardy desired to be deleted.

Senator Sparkman. I know that, and you said the following in there will be deleted or something to that effect, and then you started quoting. Was everything after that to be deleted?

Mr. PARSONS. Yes, sir. That was his request, and I agreed to it, but I wanted to write this separate letter to hammer home my answer to this allegation that I had not had a chance to answer.

Senator SPARKMAN. Tell me something. Why is that classified, just because you treat the visit of the Prime Minister and certain Ministers?

Mr. PARSONS. I suppose that that was the primary reason for classifying it. Let me see.

Senator WILEY. Who classified it?

Mr. PARSONS. The real reason, sir, is that I had to think for a moment back to the atmosphere at that time. The real reason is this: In order to get a foreign country to devalue its currency you have to go pretty far in invading the sovereignty of that country.

U.S. PRESSURE ON LAOS

When we finally reached agreement, with great pressure from the United States—we suspended all aid to Laos for a period of time to bring pressure—it was in the form of a proposal by the Lao Government, to which we acceded, thereby taking care of their sensibilities, and having it appear to be a sovereign act and made entirely at their volition. If this were in the unclassified record, it would be a little offensive to the Lao.

Senator SPARKMAN. I can see that.

Let me ask you now, who made the request for the deletion?

Mr. PARSONS. Mr. Hardy did.

Senator SPARKMAN. Was that in a letter?

Mr. PARSONS. No, sir. I merely received through some member of our staff in the Far Eastern Bureau word that Mr. Hardy wanted to use my letter in his record, but that he particularly wished to have deleted, since it was classified, this particular portion.

Senator SPARKMAN. Well, do you feel that that request for deletion would be proper? Do you feel that the deletion should be made if it is published?

Mr. PARSONS. Oh, yes, indeed I do. I very much regret that a partial letter has to be published because I was dealing with testimony that I wanted to answer.

Senator SPARKMAN. Yes.

Mr. PARSONS. Since I did not have the opportunity to appear in person before the committee.

ALLEGATIONS AGAINST PARSONS

Senator SPARKMAN. Do these three letters answer the questions that might arise regarding your recommendations of the Universal Construction Company on the criticism that has generally been raised against the Universal Company and your recommendation of it? And I gather this, too—I apologize for putting so much into one question—but I think it might serve as a good post for you. It appears, too, from some of the material that has been supplied to us, that you sent in an unfavorable report on Miller; and the committee over there seems to make it appear that this came about because of Miller's checking on these automobile sales and the dealings, and the recommendations of the Universal Construction Company.

If I remember correctly there was one statement or implication that you had tried to get Miller to, perhaps, soften his report. Are those things dealt with in your letters?

Mr. PARSONS. May I first say that nothing could be further from the truth than these things which have been alleged, Senator.

Senator SPARKMAN. You are not hearing them for the first time, are you? That was in the report.

Mr. PARSONS. I have heard these insinuations, but, as phrased now, they are a great deal stronger than I had understood they were.

Senator SPARKMAN. That may be my fault.

Senator LAUSCHE. Let us find out.

Did you see the committee report?

Mr. PARSONS. No, sir; I have not seen the committee report.

Senator LAUSCHE. All you know is what people told you was in the committee report.

Mr. PARSONS. I have seen some of the earlier part of the testimony. Mr. Robertson and I testified early in April, I believe.

I then went abroad in April and I came back late in May. I have not seen a transcript of the full testimony and I have not seen the committee report.

Senator LAUSCHE. Well, have you seen the committee report to the extent that it deals with these items that you tried to——

Mr. PARSON. No, sir.

Senater LAUSCHE [continuing]. Obstruct Miller, and these other things that were just enumerated; you have not seen it?

Mr. PARSONS. No, sir; I did not even know they had written their report yet.

Senator SPARKMAN. I do not even know that yet, but our staff has been working with the staff over there on the material.

Suppose I just read you a few very short questions that might get this thing in better focus.

DENIES COVER UP

Mr. **Parsons**. I have an answer to one that you specifically asked about.

Senator **Sparkman**. Go ahead.

Mr. **Parsons**. From the letter of April 3:

"If there was any attempt to insinuate in testimony before you that my letter to Mr. Young of this Department"—that is referring to testimony before Mr. Hardy—"of this Department about the Universal Construction Company was designed to promote the latter's interest, or that at any time I sought to 'cover up' for Universal, I should like categorically to deny both allegations. The letter, the text of which you have, speaks for itself. I was reporting on the highly favorable political impact in Laos of the successful reopening of the road to Luang Prabang. I was not writing to promote Universal's interest and I can see nothing in the text which would justify such an interpretation. It should hardly be necessary to add that at the time that I wrote this letter I knew of nothing improper about Universal's activities."

Now, in addition to the letter to Mr. Young which I have here, and which Mr. Hardy had, too, I wrote a letter of introduction for Mr. Peabody of Universal, because I wanted him to have an opportunity to tell the people in the Far Eastern Bureau, who were interested in the progress of this work in Laos, his impressions of it; and I repeat that at that time I knew of no wrongdoing whatsoever by Universal. The fact was that they did something spectacular which helped the United States.

Senator **Sparkman**. Do you have a copy of that letter? Don't you think it would be well to put the letter to Mr. Young and a copy of your letter of introduction into the record?

Mr. **Parsons**. Yes, sir; I am happy to do that. This is the original. I would rather send a copy down.

Senator **Wiley**. What is the date of that?

Mr. **Parsons**. April 24, 1957.

LETTER OF INTRODUCTION FOR UNIVERSAL CONSTRUCTION COMPANY

Dear Ken:

I enclose a memo forwarding comments by the Minister of Public Works on the extraordinary progress made on the road to Luang Prabang. I should like to add that on April 18th, when I delivered you-know-what to the Prime Minister, he spoke to me with quite un-Souvanna-like enthusiasm about the work of the Universal Construction Company. He said he had in fact not only written to Jerry Peabody to congratulate him personally, but I just arranged for 8 ANL trucks to ferry gasoline and spare parts to the five construction camps strung out along the road, thus releasing an equivalent number of critical dump trucks which are so needed to haul gravel for surfacing.

Apart from Souvanna and Petsarath, most of the Ministers and over half of the Chiefs of Mission accredited to Laos traveled either to or from Luang Prabang on the road. The trip dramatized American aid as nothing else has yet done in Laos. The contrast between unimproved stretches, stretches prepared for gravel surfacing and stretches where this work has already been completed, provide, particularly with the rain storms we encountered, a striking 'before and after' demonstration. It was also an eye-opener to encounter large road-making equipment working efficiently and around the clock high up on the precipitious mountain slopes. The Okinawans are now famous in Laos, and progress on the road is now a favorite topic of conversation.

From my own observation, I believe that the economic and social dividends from this operation will be considerable in this most important part of northern Laos. I also believe that it is by no means wildly optimistic to state as USOM people do that once the gravel surface is finished, it should be possible to keep the road open on a year-round basis with rather minimum maintenance crews and equipment spotted at a few points along the way. Jerry Peabody told me that he expected to work right through the rainy season and as he has already obtained more progress than he promised, I think he knows what he is talking about when he says that it is feasible to continue despite the rains. He also mentioned to me that he personally felt that he had lost 20 percent of efficiency by reason of having had to spread out his operation over the entire highway rather than begin at the Vientiane end of the road and proceed steadily in a concentrated operation. However, he appreciates the political reasons which motivated Tiao Souk's position to proceed virtually everywhere at once and he is as pleased as anyone that the operation is paying off.

I repeat, for the first time American aid is producing something visible of major importance which has been brought to the inescapable attention of a large proportion of the key personalities in Laos. For the moment, our credit is high.

Best wishes, as always,

Yours sincerely,

J. Graham Parsons, American Ambassador.

[The letters dated April 3, 1959, May 20, 1959, and May 29, 1959, follow:]

April 3, 1959

Hon. Porter Hardy, Jr.,
House of Representatives.

Dear Mr. Hardy: I had been hoping that after the Easter recess I would have the privilege of appearing again before your Committee in open session as there were several references to me in testimony given by Mr. Haynes Miller with which I would like to deal. I have, however, just been directed to substitute for Assistant Secreary Robertson at the forthcoming SEATO meeting in Wellington and the subsequent annual conference of our Ambassadors in the Far East to be held in Baguio later in the month. I will, of course, be at your disposal any time after my return early in May but in the meantime should like to make several points clear.

If there was any attempt to insinuate in testimony before you that my letter to Mr. Young of this Department about the Universal Construction Company was designed to promote the latter's interest, or that at any time I sought to cover up for Universal, I should like categorically to deny both allegations. The letter, the text of which you have, speaks for itself. I was reporting on the highly favorable political impact in Laos of the successful reopening of the road to Luang Prabang. I was not writing to promote Universal's interest and I can see nothing in the text which would justify such an interpretation. It should hardly be necessary to add that at the time I wrote this letter I knew of nothing improper about Universal's activities.

If called before your Committee, I will hope to deal with testimony which Mr. Miller has apparently given expressing dissatisfaction with my treatment of him in my office. I should like to add that Mr. Miller had no reasonable cause for complaint. As a matter of fact, he might have taken satisfaction from the fact that the Ambassador at his own initiative had taken the unusual step of summoning a junior USOM employee to hear his views on the Universal situation. I also wish to emphasize that later when Mr. Miller was about to leave Laos, I did not instruct Mr. Massagee to tell Mr. Miller that he had to leave within forty-eight hours or I would ask the Government of Laos to evict him. My recollection is that before Mr. Miller left Laos he was given the opportunity of using the USOM Director's office and secretary to put down in writing anything that he wished to impart about the operation there, and that he was so engaged for about ten days.

Let me assure you that I am sincerely interested in the important work of your Committee as, in fact, I testified during the Executive Sessions, and that I shall be available after my return from the Far East should you wish to hear me further.

Sincerely yours,

J. Graham Parsons, *Deputy.*

May 20, 1959

Hon. Porter Hardy, Jr.,
House of Representatives.

Dear Mr. Hardy: I have just returned from my tour of the Far East and, as I suggested in my letter of April 3, 1959, I am available to provide information which you may desire to have from me. I have learned that your subcommittee has discontinued its hearings on the Mutual Security Program in Laos but I should like to offer for your information the following general comments on testimony which was given during my absence.

The Embassy in Vientiane did not at any time try to prevent the submission to Washington of information concerning charges by USOM employees of wrongdoing or corruption in connection with the aid program. I myself, as I mentioned in my letter of April 3, summoned Mr. Miller to hear his views on the Universal Construction Company situation.

The strengthening of the Lao economy and the financial underwriting of the military establishment were made an element of the United States national policy because of our interest in helping Laos to maintain its independence. Following the decision to support Lao military forces, the Embassy (then Legation) in Vientiane after consultation with MAAG/Saigon suggested in 1955 a force level of 23,650. The Joint Chiefs of Staff set forth the view that this level would be adequate for maintaining internal security in Laos. The Lao Government accepted this level in principle although it wished to retain a level of some 30,000. Current United States policy is to support a maximum of 25,000 troops, and, in our opinion, this level should be maintained until the internal and external security threat permits a reduction.

The timing of the GAO visit to Laos was related, to my knowledge, only to the factors covered in my testimony before the Subcommittee on the Far East and the Pacific of the Committee on Foreign Affairs last year, when I said:

"At that time, as you know, we were engaged in monetary reform negotiations which had entered an important phase in the beginning of October and we were anticipating a visit from the Prime Minister and three of his Cabinet ministers. Under those circumstances we requested and persuaded representatives of the General Accounting Office to consider a postponement of the actual dispatch of the Mission so that it would not coincide with the most delicate phase of our negotiations on monetary reform."

I should like to reassure you that I was never indifferent to instances of waste and dishonesty which came to my attention. For example, I took responsibility for the complete suspension of all payment to the Lao Government on two occasions during very critical periods in order to bring about the correction of such abuses.

Although I have heard the view expressed that in a good many cases we may be doing more harm than we are good through the philosophy of our aid program, I do not share this view. I firmly believe that Laos, for example, could not have been kept in the free world during the years since the 1954 cease fire without our aid program. Since the beginning of my association with Lao affairs in 1956, I have shared Mr. Robertson's concern about the situation in that country and although conditions have improved markedly in the past year I am still very much concerned about Laos and expect to give our relations with that country and our programs there my continuing close attention.

As Mr. Robertson mentioned early in the hearings of your subcommittee, no one will deny that mistakes were made in the execution of the aid program in Laos, but the test of the program is in its results. This is not to say that we have not learned from past mistakes or that we are content to put up with any degree of inefficiency or waste purely on grounds of expediency.

In summary, we feel that our aid program in Laos has so far accomplished its main objective of helping Laos to remain in the free world and we hope to continue and consolidate our efforts in order to achieve our policy aims as effectively and economically as possible.

Sincerely yours,

J. GRAHAM PARSONS,
Deputy Assistant Secretary.

REGISTERED

MAY 29, 1959

Hon. PORTER HARDY, JR.,
House of Representatives.

DEAR MR. HARDY: I am writing to confirm the deletion of a portion of my letter to you of May 20th as suggested by the Foreign Operations and Monetary Affairs Subcommittee of the House Committee on Government Operations.

The portion to be deleted reads as follows:

"The timing of the GAO visit to Laos was related, to my knowledge, only to the factors covered in my testimony before the Subcommittee on the Far East and the Pacific of the Committee on Foreign Affairs last year, when I said:

'At that time, as you know, we were engaged in monetary reform negotiations which had entered an important phase in the beginning of October and we were anticipating a visit from the Prime Minister and three of his Cabinet ministers. Under those circumstances we requested and persuaded representatives of the General Accounting Office to consider a postponement of the actual dispatch of the Mission so that it would not coincide with the most delicate phase of our negotiations on monetary reform.'"

Sincerely yours,

J. GRAHAM PARSONS, *Deputy.*

PARSONS MEETING WITH MILLER

Senator SPARKMAN. Here is a question that I think you could answer right off. Did you in early August 1957 summon Haynes Miller to your office?

Mr. PARSONS. Yes, sir. I have since looked it up, and the date was August 4, I believe.

Senator SPARKMAN. August 4. And the next question is, why did you summon him? Was it because he had just compiled a first draft of an unfavorable report on the Universal Company?

Mr. PARSONS. I had no knowledge, so far as I could recall, that he had prepared any draft report.

Senator SPARKMAN. I notice a prior question here: Why was Miller sent to Laos? How long had Miller been in Laos? Was he not a part of your staff—no, he was part of ICA.

Mr. PARSONS. No; he was part of ICA.

Senator SPARKMAN. That is right.

Mr. PARSONS. He was there about a year altogether, I believe, a rather short tour. I think he left at the end, in December of 1957.

He came to see me on August 4 because I had heard that he was making allegations or remarks which indicated that he had found there was something wrong in connection with Universal. I was curious as to what he had found out. I wanted to see him and see how he handled himself, and what sort of a young man he was, and I was interested to hear if he had anything worth saying.

It was rather an unusual action to ask for a junior employee like that to come in, and he made some point that I only listened to him for 20 minutes.

Well, I do not know how long I listened to him or how much I talked, but I think it was probably longer than that. I remember he was quite loquacious. There are many things I could add about Mr. Miller, but I do not particularly want to get into the business of—

Senator SPARKMAN. Let me ask you this double question. By the way, these questions are not mine.

Mr. PARSONS Yes, sir. I understand.

Senator SPARKMAN. They are questions that the staff has prepared after reviewing some of the things in the House Committee and talking with some of the staff members over there. But it seems to me we might well build a record by asking these questions and having them answered.

Mr. PARSONS. Yes, sir.

Senator SPARKMAN. Did you tell Miller that you would be embarrassed if the Universal Construction Company were found to be a dishonorable firm, since you had recommended it to the Department of State when the Department requested your views?

Second, did you tell Miller that Gerald Peabody was at that very moment using your recommendation in contract negotiations in Washington?

Mr. PARSONS. In the first place, sir, I did not recommend Universal—at least, I cannot see that that letter——

Senator SPARKMAN. You explained that.

Mr. PARSONS. I cannot see that that letter could be so interpreted.

Second, I have no knowledge that my letter of introduction was of any value to Mr. Peabody in contract negotiations. It was not addressed to anybody who would be involved in contract negotiations.

Senator SPARKMAN. Was it intended for such use and such purpose?

Mr. PARSONS. No, sir; it was not intended for such use or purpose. Such a purpose never entered my head.

Senator SPARKMAN. Did you, or anyone in your mission, to your knowledge, try to persuade Miller to soften his report regarding Universal?

Mr. PARSONS. No, sir.

Senator SPARKMAN. His proposed report?

Mr. PARSONS. No, sir; not to my knowledge. I certainly did not, and I do not think anybody took very much interest in what he was likely to write in his report.

THE GALION IRON COMPANY LETTER

Senator SPARKMAN. Did Miller, during your interview, show you a letter from the Galion Iron Company, an equipment supply firm, suggesting that the United States investigate its contractor in Laos, the Universal Company?

What did you do about this knowledge? Was this the first adverse information you had received about Universal?

Had not Universal left substantial amounts of damaged equipment standing in public view in Vientiane and near your Embassy during July 1957?

Did you immediately notify your Department of Miller's findings so that it might be on the alert in dealing with Mr. Peabody?

Senator HICKENLOOPER. That is a lot of questions.

Senator LAUSCHE. Take them up one at a time.

Senator SPARKMAN. First, did Mr. Miller, during your interview, show you a letter from the Galion Iron Company, an equipment supply firm, suggesting that the United States investigate its contractor in Laos, the Universal Company?

Mr. PARSONS. I believe it was on that occasion that I saw the letter. I did see the letter, and I think it was when he did come to see me.

Senator SPARKMAN. What did you do about this knowledge?

Mr. PARSONS. I informed the Director or a member of the staff of the USOM, the ICA Mission. This gave rise to the investigation that was still continuing at the time.

Senator SPARKMAN. You did immediately make use of the information and channel it through the proper persons?

Mr. PARSONS. Through the proper person.

CRITICISMS OF UNIVERSAL CONSTRUCTION COMPANY

Senator SPARKMAN. Was this the first adverse information you had received about Universal?

Mr. PARSONS. I cannot say for sure. A lot of rumors were generated. It was certainly about the time of the first; if I had any prior information it could not have been long before.

Senator SPARKMAN. Had not Universal left substantial amounts of damaged equipment standing in public view in Vientiane and near your Embassy during July 1957?

Mr. PARSONS. Their equipment pool was about 6 or 7 miles out of Vientiane, and there was no cover for that equipment. It was not exactly near the Embassy, but it is true there was a lot of out-of-service equipment there. Anyone who has been in Laos——

Senator SPARKMAN. When you speak of a pool do you mean where it was kept when it was idle, and where they could come to get it when they needed to put it into operation?

Mr. PARSONS. I presume so. I was not concerned with the actual operations of the contractor, and I seldom went out on that road.

Senator SPARKMAN. Did you immediately notify the Department of Miller's findings so it might be on the alert in dealing with Mr. Peabody?

Mr. PARSONS. No, sir; I did not. Miller saw me on August 4; I have subsequently looked this up. On August 7 he tendered his resignation, and on the 16th of August he completed the report. I believe the report is dated August 16. That report was sent to the Director of the USOM in the normal way. It was up to the Director of USOM to evaluate it and to make use of it in accordance with ICA practices.

Senator LAUSCHE. What is USOM?

Mr. PARSONS. That is the United States Operations Mission. That is the name for the aid mission in the field.

Senator SPARKMAN. Operating agency in the field.

THE RESIGNATION OF HAYNES MILLER

The next question is: On August 20, 1957, 4 days after Miller submitted his unfavorable report on Universal to Director Robbins of the ICA Mission, was he asked to resign? If so, by whom and why? Did you give your approval to this action?

Senator WILEY. Just one question there. When you say he submitted his report, do you mean when he talked to him about it?

Senator SPARKMAN. He knew about the report. He gave the date himself, August 16, 1957, and this is 4 days later on August 20, 1957; did he resign? Was he asked to resign?

Mr. PARSONS. I have no knowledge of the day he actually resigned. I beg your pardon. I have here a message sent to the State Department on September 14, which was in response to an inquiry from the French Embassy.

Mr. Miller had a great deal more association with the French than he did with any other Americans or others in Laos.

The French inquired as to whether Mr. Miller had resigned under rather spectacular circumstances in protesting an alleged involvement in import licensing irregularities on the part of some government employee.

I replied on September 14 that he had been invited to resign by the USOM Director—he was responsible to the USOM Director, not to the Ambassador—about August 20, because of obvious signs of a nervous disorder.

"The USOM Director states that to his knowledge absolutely no truth USOM employees involved in import license irregularities resulting in scandal. USOM Director has been informed that Miller's association with 'low French' some of whom are opium addicts and scorned by other French may be origin of this report."

Senator **Wiley**. Who was the USOM Director?

Mr. **Parsons**. At that time it was Mr. Carl Robbins, who had succeeded Carter DePaul.

Senator **Sparkman**. It was Mr. Robbins, then, who had asked him to resign?

Mr. **Parsons**. Yes, sir; it appears so.

Senator **Sparkman**. Did you have to pass on that? Were you consulted or did you have anything to do with it?

Mr. **Parsons**. No, sir; that had nothing to do with me, a junior employee of another Government agency there.

Senator **Sparkman**. It did not come to you and it was not cleared by you?

Mr. **Parsons**. No, sir; it was not necessary to clear such an action with me.

RESIGNATION OVER IMPORT LICENSE SCANDALS

Senator **Sparkman**. The next question I had was this one, and I think you have already answered it. Did you in early September 1957 receive a telegram from the Department asking you whether it was true that Haynes Miller had resigned in protest because of ICA's refusal to cooperate with his effort to investigate ICA's involvement in certain import license scandals?

I think you have already answered that.

Mr. **Parsons**. Yes, sir; I have answered that, but may I point out the dates involved? Mr. Miller's report was written on August 16. On August 7 he gave notice of his intention to resign. On August 20 the USOM Director requested him to resign, and in the record of hearings before the House Foreign Affairs Committee a year ago, ICA provided the following two-line statement on request:

"Miller's services in Laos were terminated. He also submitted a letter of resignation. He was offered another job not in Laos which he refused."

I would like, if I may take a moment of the committee's time, to read an excerpt from his letter of resignation.

Senator **Lausche**. What is the date of that, August 20?

Mr. **Parsons**. This letter of resignation is dated September 13, 1957. It is dated that late because Mr. Miller is a rather exceptional young man. He had a lot of things that he was trying to get across. The USOM Director made available his office and his secretary—secretaries were in very short supply in that particular remote place—and told him to write down anything that he wanted. He was perfectly at liberty to put his thoughts on paper so that they could be evaluated and considered for what they were worth.

In the course of a very scathing criticism, Mr. Miller wrote——

Senator **Aiken**. By whom?

Mr. **Parsons**. This is Mr. Miller himself in his own letter.

Senator **Aiken**. Scathing——

Mr. **Parsons**. Scathing criticism of the aid program and everything American there.

Senator AIKEN. And this resignation was dated when?

Mr. PARSONS. This is dated September 13.

Senator AIKEN. Was he actually——

Senator SPARKMAN. George, I am not sure you caught the sequence or not.

Senator AIKEN. I am sorry, John.

Senator SPARKMAN. He gave notice on August 7——

Mr. PARSONS. That is my understanding.

Senator SPARKMAN [continuing]. That he was going to resign. He submitted his report on August 16. On August 20 the head of the USOM asked him for his resignation.

Senator AIKEN. Who was that?

Senator SPARKMAN. Mr. Carl Robbins; and Mr. Miller had some irons in the fire, some jobs on tap that he wanted to finish, so he was given the privilege of staying on and finishing them, and finally on September 13—is that right?

Mr. PARSONS. September 13.

Senator SPARKMAN [continuing]. He submitted his final letter of resignation.

Senator AIKEN. Did Mr. Robbins consult with you before asking him to resign?

Mr. PARSONS. No, sir; he did not. He told me about it.

Senator SPARKMAN. I asked him that question a minute ago, and he brings out that point. You have the same questions, and I am a little ahead of you; actually we have finished question number 13.

Senator AIKEN. I am on 13, with 15 more to go.

Senator SPARKMAN. Mr. Miller was under ICA and not under Mr. Parsons.

Mr. Parsons, as head of the mission, had general supervision of the program, but he had nothing to do with the operation of the program; isn't that right?

Mr. PARSONS. Yes, sir; that is right. As Ambassador I was head of the country team and responsible for overall——

Senator SPARKMAN. But you had no connection with it.

Mr. PARSONS. That is right.

Senator SPARKMAN. Therefore, he had no connection. I asked him whether he had anything to do with it or was consulted or not and, as I recall, the answer was negative.

Mr. PARSONS. That is right.

May I continue with this matter of his resignation a moment?

Senator SPARKMAN Yes.

Mr. PARSONS. Much of this line of questioning has been developed from the testimony before Mr. Porter Hardy's committee indicates that the committee has made great use of Mr. Miller's testimony.

It is, therefore, important to have some evaluation of what sort of man Mr. Miller was.

MILLER'S ASSOCIATION WITH THE FRENCH

I mentioned a while ago that he was principally associating with French rather than others in Laos. He wrote in his letter of resignation:

"In spite of the fact that among the French alone can be found well-trained, Western educated, specialists who have lived and worked in Laos with Laotians for a long time. They alone speak Laotian, marry

Laotians, and know Laos as well as their native country. They alone have the requisite experience, knowledge, and insight, to determine and execute a policy which could use, with benefit to Laos, the funds allocated by the members of the Western bloc, and possibly, at the same time achieve the goals the Western Alliance has chosen in this quarter of Asia."

In other words, he was an advocate of turning over our aid program to the French.

Senator **Aiken**. The French Government?

Mr. **Parsons**. To the French representatives in Laos.

Senator **Aiken**. The French-speaking people in Laos?

Mr. **Parsons**. To the French nationals.

Senator **Sparkman**. French nationals living in Laos.

Mr. **Parsons**. French representatives, representatives of the French Aid Mission or representatives of the French Embassy or French advisers to the Laos Government. He just says the French.

Senator **Aiken**. Is it true that French is the prevailing language there?

Mr. **Parsons**. It is the second language, sir. The Lao language is a variant of the Siamese, Thai.

The only second language, sir, spoken by Lao at the time I went there was French. There were hardly any who spoke English.

Senator **Aiken**. Yes. That is right.

THE MILLER LETTER

Mr. **Parsons**. In relation to this gentleman, in his letter there is a statement of his knowledge of Laos.

"My own knowledge of Laos is limited. I have never been able to visit on official business any town or village in Laos; Vientiane excepted, I have used my weekends and all my vacation time to acquire some notion of some Laotian life, the natural economy of Laos or its peoples and its cultures. I have not gone out at night with Americans, nor do I voluntarily frequent the isolated, ascetic American enclaves." Then he lists 9 or 10 Lao whom he says are all of ministerial rank or just below. One of them was a minister. And he says that he also goes out with "French advisers to the Laotian Government, French and Chinese merchants and trafficers."

Senator **Aiken**. And what?

Mr. **Parsons**. "French and Chinese merchants and trafficers."

Senator **Aiken**. What are those?

Mr. **Parsons**. I do not quite know what he means by that.

Senator **Sparkman**. How do you spell that?

Mr. **Parsons**. He spells it t-r-a-f-f-i-c-e-r-s.

Senator **Sparkman**. I guess it ought to be t-r-a-f-f-i-c-k-e-r-s. Those who traffic in what, trade and traffic?

Senator **Aiken**. They buy and sell.

Mr. **Parsons**. He goes on to say:

"Most if not all of the qualified counselors to the Laotian Government are not known to other Americans.

INACCURACIES OF MILLER'S LETTER

"Such people as M. Parisot, ex-governor of Vientiane, ex-governor of Mauretania, his father-in-law, Tiao Petsarath, Viceroy of Laos and highly respected ex-chief of the Laotian administration under the French, and "—Laos is a very small place. It is an utterly absurd statement. We knew practically everybody in the Lao Government.

Senator SPARKMAN. Would you like to put that letter in the record, or would you rather just rest on the excerpts that you read?

Mr. PARSONS. All I have are excerpts. This is about a 10- or 12-page, single-spaced letter or document which is the property of ICA; but I had permission of the Mission Director in Laos to use it. It is unclassified.

Senator SPARKMAN. Would you care to put it in the record? Just use your own judgment.

Mr. PARSONS. May I put these excerpts in the record?

Senator SPARKMAN. That is what I mean.

Mr. PARSONS. It is a very long, rambling thing.

Senator SPARKMAN. I did not mean the whole letter, but the excerpts.

Senator LAUSCHE. Let the record show then that it is the suggestion of the Chairman that you put in merely the excerpts. Let us avoid somebody saying later that he omitted 10 pages and only put in 3.

Senator SPARKMAN. As I understand it, your purpose in extracting those excerpts was to illustrate what you want us to understand as being, shall I say, the irresponsible nature of this man; is that right?

Mr. PARSONS. I would like you to have an opportunity to make your own evaluations.

Senator SPARKMAN. Oh, yes.

Mr. PARSONS. I would also like to point out an inaccuracy in another excerpt which will now go into the record at your request.

He says:

"Such people as M. Parisot, ex-governor of Vientiane, ex-governor of Mauretania, his father-in-law, Tiao Phetsarath, Viceroy of Laos," and various other people, "have never been sought out and asked for information or advice by any American except myself. The names of most such persons are not even known to the Embassy or this Mission."

I would like to point out that I saw Mr. Parisot nearly every day I was in Laos. He lived very near me. I went snipeshooting with him. I talked with him often to hear his views.

A junior officer of my staff, who knew the family very well, was constantly in touch with him as a liaison. He preferred to see somebody who was not quite as conspicuous as the American Ambassador.

Regarding the Viceroy of Laos, Prince Petsarath, I called a number of times at his house. He came to see me in my house a number of times. He had dinner in my house.

This young man is simply not informed as to what is going on in Vientiane. That certainly is at a level way above him.

[The document referred to follows:]

EXTRACTS FROM HAYNES M. MILLER'S LETTER OF RESIGNATION, SEPTEMBER 13, 1957

"The Director and I agree that in my resignation I should state at length my reasons. He understood that that would require a detailed statement of my personal evaluation of the U.S. program here.

* * * * * * *

"Briefly it is my opinion, and the opinion of every Laotian Official I know, as well as of the opinion of the Viceroy of Laos, the Bishop of Laos, the Chief of the Méos, every business man with whom I'm personally acquainted, every Catholic priest and Protestant Missionary with whom I am acquainted, of every Chinese, Siamese, Laotian, Frenchman, and American who has had direct official, officious, commercial, or cultural, experience with the Laotian people and Laotian culture, that the American Aid Program has destroyed or is destroying whatever chance Laos may have had to survive as an ally of the Occident. It is also the opinion generally held by such persons as well as myself that we intentionally treat the French, not as allies, but as inimical incompetents to be ousted to make room for us. In spite of the fact that among the French alone can be found well trained, western educated, specialists who have lived and worked in Laos with Laotians for a long time. They alone speak Laotian, marry Laotians, and know Laos as well as their native country. They alone have the requisite experience, knowledge, and insight, to determine and execute a policy which could use, with benefit to Laos, the funds allocated by the members of the Western block, and possibly, at the same time achieve the goals the Western Alliance has chosen in this quarter of Asia.

"I have never known the Mission to cooperate with the French. They have never failed to cooperate with me.

* * * * * * *

"My own knowledge of Laos is limited. I have never been able to visit on official business any town or village in Laos; Vientiane excepted, I have used my weekends and all my vacation time to acquire some notion of some Laotian life, of the natural economy of Laos, or its peoples, and its cultures. I have not gone out at night with Americans nor do I voluntarily frequent the isolated, ascetic American enclaves. Rather, I have chosen to go out with such people as Chao Nith, M. Say, M. Peng, M. Nikorn, M. Serc, M. Boulum, M. Houmping, M. Kounta, M. Thiathone, (All of Ministerial rank or just below.) as well as French advisers to the Laotian Government, French and Chinese merchants and trafficers.

"Most if not all of the qualified counselors to the Laotian Government are not known to other Americans.

"Such people as M. Parisot, ex-governor of Vientiane, ex-governor of Mauretania, his father-in-law, Tiao Phetsarath, Viceroy of Laos and highly respected ex-chief of the Laotian administration under the French and M. Deré, ex-chief of the Agricultural experimental farm at Peng Savan, presently the principal exporter of Benjoin, have never been sought out and asked for information or advice by any American except myself. The names of most such persons are not even known to the Embassy or this Mission."

THE HARDY COMMITTEE INVESTIGATION

Senator AIKEN. Mr. Parsons, has the Hardy committee called you to testify?

Mr. PARSONS. As I said earlier, Senator, when you were not here, Mr. Robertson, Mr. Dillon and I all testified in the early phases of the committee's investigation of Laos in executive session.

Senator AIKEN. I see.

Mr. PARSONS. Subsequently, in public session, testimony by Mr. Haynes Miller was adduced. I have not testified before Mr. Hardy since that time.

Senator AIKEN. I think you realize the position we are in. The reason I was questioning you the other day was that I had a communication, and I did not want to commit an injustice to anyone at all. I simply asked you those things. But you understand the position this committee would be in if the Hardy committee comes out with an unfavorable report that could impair your services in this position. You understand that, whether right or wrong; you do not always have to be wrong to do damage.

Senator SPARKMAN. He has submitted a series of three letters that he wrote to Congressman Hardy with reference to the testimony.

Senator LAUSCHE. While the letters do not ask directly for the right to testify, he could not have used language that was more closely construed as a request or a demand to testify. He went right to the limit and said, "I am back from over in some place and I am here and available."

Senator SPARKMAN. "I hope I may be allowed an opportunity to testify in open meeting."

Senator AIKEN. We are at somewhat of a handicap since they have had weeks and we have an hour and a half to go over the same ground.

Senator SPARKMAN. Had you previously informed the Department that auditor Miller had been asked to resign? I assume your answer there is negative, because it was not your responsibility.

Mr. PARSONS. No, sir. The only time I communicated on the subject was September 14.

A "NERVOUS DISORDER"

Senator SPARKMAN. In response to that telegram; and you said that was the one in which he had been asked to resign because of obvious signs of nervous disorder.

Did you have him submit to a medical examination, and did the Department regulations require such an examination?

Mr. PARSONS. He is an employee of ICA. The information that he had a nervous disorder was provided to the Embassy by the Director of USOM. I have no knowledge whether he asked him to have an examination or what actually occurred.

Senator SPARKMAN. It was not your obligation or duty or responsibility to initiate action of that kind?

Mr. PARSONS. No, sir.

Senator SPARKMAN. He was not your employee.

Mr. PARSONS. No; and I was merely passing on information provided to me by USOM to answer an inquiry from the State Department.

Senator SPARKMAN. Do you know the findings of the medical examination of Mr. Miller that was conducted upon his return to Washington?

Mr. PARSONS. No, sir; I did not know he had had one.

Senator SPARKMAN. Do you know whether ICA subsequently offered Miller another position as end-use auditor in Karachi? Is that the one you referred to a while ago? I believe you said he was offered another job.

Mr. PARSONS. According to the ICA testimony in May last year before the Foreign Affairs Committee, he was offered another job not in Laos, which he refused That is my only knowledge.

Senator SPARKMAN. That is all the knowledge you have of it?

Mr. PARSONS. Yes, sir.

Senator SPARKMAN. I think I know what your answer to this question will be, but I will ask it. Was it not unusual, a few days after Mr. Miller uncovered embarrassing evidence of the Universal Company's abuses, to discharge him on medical grounds without benefit of medical opinion?

Mr. PARSONS. If those were the facts, and if there is any connection between his report and the forced resignation, I would assume it was unusual; but I do not believe there was any such connection. There is quite a long record on that.

Senator SPARKMAN. Again, I understand from your previous answers that that was a question that would not have come before you anyhow.

Mr. PARSONS. Quite correct, sir.

Senator SPARKMAN. Would it have been before USOM and not before you?

Mr. PARSONS. That is correct; absolutely correct.

ICA IMPORT LICENSE IRREGULARITIES

Senator SPARKMAN. In your telegram of September 14, 1957, informing the Department of Miller's discharge you also stated that the local ICA Director had said there was no truth in the allegation that ICA employees were involved in the import license scandal.

You further stated that the ICA Director suggested that Miller may have come up with this allegation through his association with so-called "low French," some of whom were opium addicts. Did it subsequently appear that ICA employees were implicated in import licensing irregularities?

Mr. PARSONS. No, sir. So far as I know, the answer is absolutely not. The irregularities that were uncovered related to a relationship between the Director of the Public Works Division of USOM, Mr. McNamara, and a contracting firm, the Universal Construction Company.

So far as I know, that had nothing to do with import licenses. The main thing was an improper relationship between the Government employee and a contractor.

Senator LAUSCHE. May I ask a question here?

Senator SPARKMAN. Yes, go ahead, Senator Lausche.

THE MC NAMARA AUTOMOBILE SALE

Senator LAUSCHE. Did this McNamara automobile incident which was discussed a moment ago take place while you were there?

Mr. PARSONS. I checked on that while the committee was in recess.

The sale took place October 28, or the records show that the local currency proceeds from the sale of the car and other items—I do not know what they were—took place on October 28, 1957. The sale must have taken place shortly before that.

I returned to Laos from a visit to the United States with the Foreign Minister of Laos late in October, about the 23d or 24th, so I may or may not have been there.

But it would be unusual if an Ambassador knew about the details of the sale of property by an employee. I would not expect to know of it even if I were there unless something unusual came up in relation to it, in which case the property control board or the administrative officer of the Embassy would have sought me out.

ICA CONNECTION

Senator SPARKMAN. In your telegram of September 14, 1957, informing the Department of Miller's discharge, you also stated that the local ICA Director had said there was no truth to the allegation that ICA employees were involved in the import license scandal. You further stated that the ICA Director suggested that Miller may have come up with this allegation through his association with so-called "low French"—I have just read this about imports.

Mr. PARSONS. Yes.

Senator SPARKMAN. Did not Miller's associations also reveal reliable information of irregularities by the Universal Construction Company?

Mr. **Parsons**. I do not know the source of his information on the Universal Construction Company. He was evidently assigned to investigate the handling of that assignment, which would have required him to see primarily Americans in Laos, I would think; but no doubt he also saw many French.

Senator **Sparkman**. Had not the ICA Director arrived in Laos only a few weeks previously?

Mr. **Parsons**. Mr. Carl Robbins arrived in Laos in mid-July of 1957, less than a month before these events took place.

Senator **Sparkman**. Were you aware when you sent the September 14, 1957, telegram to the Department that your statements regarding Miller's mental condition, the supposed unreliability of his information and his supposed undesirable associations, would discredit in advance his report on the Universal scandal?

Mr. **Parsons**. No, sir. I was not aware of it, and I made no relation between those two items in my mind at the time.

I would like to point out also that Mr. Miller's difficulties with USOM did not begin over this particular report which he wrote. He had had many difficulties with the previous USOM Director who testified as to the quality of his reports.

Senator **Sparkman**. Did you know about those difficulties prior to the testimony before the House Foreign Affairs Committee?

MILLER'S DIFFICULTIES WITH USOM

Mr. **Parsons**. Of Miller's difficulties?

Senator **Sparkman**. Yes.

Mr. **Parsons**. Yes, sir. I had my own opinion of Miller based on——

Senator **Sparkman**. You knew these difficulties had been occurring prior to that time?

Mr. **Parsons**. Difficulties with USOM?

Senator **Sparkman**. With USOM.

Mr. **Parsons**. I knew they were not satisfied with this employee, and that they placed a rather low evaluation on the reliability of his reports. There was testimony which illustrates that fact before the House Foreign Affairs Committee on May 7 and 8 of last year, some rather specific testimony of instances in which his reports proved to be inaccurate.

Senator **Sparkman**. What pages? Do you have the reference to the pages before you?

Mr. **Parsons**. Yes, sir. May I supply that? I do not want to hold you up. I have it all here; I can work it out.

Senator **Sparkman**. Supply it for the record; very good.

[The testimony referred to, being pages 52 through 62, hearing on the Mutual Security Program in Laos, Subcommittee on Far East and Pacific of the Committee on Foreign Affairs, May 7–8, 1958, House of Representatives.]

MILLER'S EFFICIENCY RATINGS

Senator **Sparkman**. Did not auditor Miller have efficiency ratings of 4½ to 5 points out of a possible 6 prior to his investigation of Universal Company?

Mr. **Parsons**. I would have no knowledge of that, sir; that is an ICA matter.

Senator **Sparkman**. You did not keep his efficiency reports?

Mr. **Parsons**. I neither kept them, sought to influence them or——

Senator **Sparkman**. You would not be competent to answer this question. Why did he receive a much lower rating after he began his investigation of Universal?

Mr. **Parsons**. I could not possibly answer that, sir.

CONSIDERATIONS FROM UNIVERSAL CONSTRUCTION COMPANY

Senator **Sparkman**. When you last appeared before this Committee on Foreign Relations you testified that until several months ago you had no reason to believe that Mr. Everett McNamara or any other member of your staff had received considerations from Universal Construction Company.

Did you approve in 1957 the sale by outgoing ICA Director Carter DePaul of his automobile to Mr. Gerald Peabody, the head of the Universal Construction Company? I believe you answered that, did you not, in earlier questioning by Senator Aiken?

Mr. **Parsons**. May I point out these people were not on my staff. Mr. McNamara was not my employee; he was an ICA employee.

Senator **Sparkman**. Nor was Mr. DePaul?

Mr. **Parsons**. Nor was Mr. DePaul.

Senator **Sparkman**. I believe we have discussed the value and regulations and so forth relating to the sale of that automobile, as well as others, and the number that were sold; we have already gone into that.

Senator **Lausche**. Let us get that clarified about the two automobiles.

Senator **Sparkman**. Go right ahead.

Senator **Lausche**. Is the machine Senator Sparkman has just been talking about the one that Senator Aiken mentioned which you said was not the one you had in mind? There were two machines. Will you tell about the two?

Mr. **Parsons**. Yes, sir; that is the easiest way of getting about it. We began with questions from the Chair about an old Cadillac sold by Mr. DePaul, the former USOM Director, to Mr. Peabody of Universal Construction. That was sold in accordance with the Embassy regulations, and the sale was approved by me or in my name.

The other car was a car sold by Mr. McNamara. Since speaking of it earlier with Senator Aiken I found out from my office that it was a 1955 Dodge automobile, sold just prior to October 28, 1957. That was also sold pursuant to the Embassy regulations.

I do not know what, if any, irregularities related to what the testimony before Mr. Hardy's committee showed in regard to it.

IRREGULARITIES OF AUTO TRANSACTIONS

Possibly it was alleged that he received more than the price he declared to the property control board; I do not know. That is pure speculation. But those were the two vehicles. They are unrelated transactions.

Senator **Lausche**. Senator Aiken made the statement that he sold the machine, received one-half of pay for it, but never delivered the automobile; he kept driving it.

Mr. **Parsons**. Well, maybe that was the irregularity.

Senator LAUSCHE. Did you have any knowledge of any such——

Mr. PARSONS. No, sir; I did not know about that.

Senator LAUSCHE. About that incident?

CONTRACT AWARDED TO UNIVERSAL

Senator SPARKMAN. Did you at any time from July to December 1957 suggest that the Universal Construction Company be awarded a contract to build a new airport in Laos without benefit of competitive bidding by other firms?

Mr. PARSONS. No, sir; I certainly did not.

On the contrary, I expressed concern about the manner in which the bidding might be proceeded with in that matter.

Senator SPARKMAN. The next part of that question was, did you ever discuss such a proposition? I presume you have answered that. You did but you urged competition, is that right? Competitive bidding?

Mr. PARSONS. I do not recall if I specifically urged competitive bidding, but I told the Director of USOM on December 20, 1957, that I was disturbed about effects of the problems of contractors in Laos, and indicated that I was fearful that there might be favoritism in connection with our sources of gravel, as I remember it, which would permit Universal to win the contract without anybody else having a fair shot at it.

Senator SPARKMAN. Was that about the time you left Laos? Did you leave in December 1957?

Mr. PARSONS. I left on January 1, to be here in Washington when the Prime Minister and three of his Cabinet Ministers——

Senator SPARKMAN. In 1958?

Mr. PARSONS. The 1st of January 1958.

I subsequently returned to Laos for 15 days, really to wind up before coming here to join Mr. Robertson.

Senator SPARKMAN. There was another part to that question. Was not Universal's dubious reputation then a matter of common knowledge?

Mr. PARSONS. By that late date?

Senator SPARKMAN. This relates to that December 20 transaction discussion.

Mr. PARSONS. I really do not know to what degree it was common knowledge or to what extent rumors had gone at that time, but certainly——

Senator SPARKMAN. But you had some suspicion as to favoritism with reference to gravel, is that right?

Mr. PARSONS. Yes, sir; beginning in the late summer, one began to hear unfavorable things, and I expressed increasing concern to the USOM Director and to others.

Senator SPARKMAN. This question is like the other one: How do you account for your lack of familiarity with the Universal Company's actions and in its relations with ICA employees?

RESPONSIBILITIES OF THE AMBASSADOR

Mr. PARSONS. I think it is very difficult for an Ambasador, who is quite engaged in a great many other things of considerable importance to our country's interests there, to be fully familiar with the detailed relationship between an individual contractor in a large aid program and the employees of ICA.

That goes far beyond the personal interest of an Ambassador under circumstances——

Senator **Sparkman**. Yours is a general supervisory position rather than an operating position; is that right?

Mr. **Parsons**. Yes, sir.

Under the existing Executive orders the Ambassador in each country is the head of the country team and has certain relationships and certain prerogatives and authority with regard to other United States representatives of independent agencies; general supervision is correct.

Senator **Sparkman**. The next question implies a different situation with the head of the mission in Laos in these words: Unlike the situation in many countries, in Laos was it not one of the Ambassador's principal tasks to administer the foreign aid program because of its political nature?

Mr. **Parsons**. No, sir. Administering the aid program, to my mind, means the man actually runs it and is responsible for the actions which are taken in relation to aid projects and to the transfer of defense support funds, and all that sort of thing.

I was concerned with policy and with guiding our activities there along the lines which I thought would best achieve our objectives. Administration was not mine.

Senator **Sparkman**. Was any directive issued to you with reference to the handling of the foreign aid program that was different from the directives issued to heads of missions in other countries?

Mr. **Parsons**. I believe that I received the same general directives that every other chief of mission did.

Senator **Sparkman**. Then do you not know of any difference that may have existed in Laos as opposed to other countries?

You think that yours was under the same directive as the others?

Mr. **Parsons**. Yes, so far as I know it was. The situation in Laos was pretty unusual, and I certainly did my best to see that the program was used to achieve our objectives there.

Senator **Sparkman**. How large was your staff?

Mr. **Parsons**. My staff, including our administrative people, I would say consisted of about 25 Americans, and the administrative people who had some responsibilities for the other Government agencies operating in Laos, too.

There was one economic officer and two political officers, a Deputy Chief of Mission, and I.

Senator **Sparkman**. Did you have a young medical officer?

Mr. **Parsons**. Yes, sir; we had——

Senator **Sparkman**. What was his name?

Mr. **Parsons**. Nick Fenick.

Senator **Sparkman**. Off the record.

[Discussion off the record.]

Senator **Sparkman**. I was very much impressed with his attitude toward Laos and toward our program there. In fact, he seemed to have the right spirit and attitude with reference to the program.

Mr. **Parsons**. I am pleased to hear that.

Senator **Sparkman**. How large is Vientiane?

Mr. **Parsons**. It was estimated at about 45,000–60,000 or 70,000; nobody knew. It is probably larger than that now. It is growing quite rapidly.

ICA ACTIVITIES

Senator **Sparkman**. One last question: Did you on January 7, 1958, attempt to persuade officials of the General Accounting Office to postpone for at least 6 months a contemplated investigation of ICA in Laos?

Mr. **Parsons**. No, sir; I did not. That question was dealt with by the classified letter which I read some time earlier. I informed Mr. Hardy that the purpose——

Senator **Sparkman**. Was that deletion the part that you referred to?

Mr. **Parsons**. Yes, sir.

Senator **Sparkman**. Senator Hickenlooper, do you have any questions?

Senator **Hickenlooper**. I do not believe I have any.

Senator **Sparkman**. Senator Lausche?

Senator **Lausche**. No, I do not think I have any.

Senator **Sparkman**. I think I have covered all I want to ask.

Yes, Senator Lausche.

Senator **Lausche**. How many persons were in the employ of ICA there?

Mr. **Parsons**. At that time I guess it was around 50 Americans; in addition to that, contract employees.

Senator **Lausche**. Were there any other projects in operation at that time besides the Universal?

Mr. **Parsons**. Oh, yes, sir; there were quite a number in various fields.

Senator **Lausche**. That were financed by this mutual aid program?

Mr. **Parsons**. Yes, sir; there were.

Senator **Lausche**. Were those workers our U.S. citizens or mainly domestics?

Mr. **Parsons**. In some of the projects there were American technicians serving. In others, apart from the ICA personnel concerned with working with the Lao on that particular project, there were no Americans.

Senator **Lausche**. How many persons would you say were in the employ of our Federal agencies that were in that immediate vicinity? You had about 25, ICA had about 50.

Mr. **Parsons**. At the time I left the American population at Vientiane had got up to about 300, that is with dependents and several representatives of church groups, and one or two businessmen.

Senator **Lausche**. How high in the echelon was Miller's position?

MILLER'S RESPONSIBILITIES

Mr. **Parsons**. He was a very junior employee. I do not know what his general service rating was, but certainly very low. I could find out from ICA and provide that.

Senator **Lausche**. What was he, an accountant?

Mr. **Parsons**. He was a so-called end-use investigator.

His function on assignment from his superiors was to find out whether equipment or materials furnished to the Lao under an aid project had been properly utilized, and whether transactions had been properly carried out.

Senator **Lausche**. How frequent was your contact with him while he was there?

Mr. **Parsons**. Very occasional.

Senator **Lausche**. Did he ever report to you directly on matters of work that he was doing?

Mr. **Parsons**. No, sir. The only time I had any direct contact of that nature was when on my own initiative I asked him to come in on August 4, 1957.

Senator **Lausche**. Is August 4 the only time that you had any official contact with him.

Mr. **Parsons**. That is the only time.

Senator **Lausche**. Do you know why he indicated his intention to resign on August 7, 1957?

Mr. **Parsons**. No, sir; I do not.

Senator **Lausche**. Did you testify that he had indicated his intention to resign?

Mr. **Parsons**. That was my understanding, that he indicated to the aid mission that he intended to resign on August 7.

Senator **Lausche**. And what you have testified to is what you have been told by USOM?

Mr. **Parsons**. I believe USOM is the source of that, possibly through my own staff in the Far Eastern Bureau.

Senator **Lausche**. That is, you did not have contact with these 300 workers that were in that area?

Mr. **Parsons**. That is total population, and the actual workers——

Senator **Lausche**. For how many?

Mr. **Parsons**. At a guess, 125.

Senator **Lausche**. Well, you did not have contact with those 125. You saw Miller only once in an official capacity as far as you can recall?

Mr. **Parsons**. As far as I can recall, yes.

Senator **Lausche**. All right. That is all.

Senator **Sparkman**. We have an excerpt from the testimony of Mr. Miller as given before the House committee on March 20, 1959, pages 857 and 858 of the transcript. That will not be in that printed copy. You might be interested in this. Mr. Reddan put the question to Mr. Miller:

> Had you any discussions with the Ambassador concerning your report?
>
> ### MILLER MEETING WITH PARSONS
>
> Mr. **Miller**. Yes, sir. I was called into the Ambassadors office in August, I think August 4, and the Ambassador told me that he had about 20 minutes to give me. He then used about 15 minutes of that time to explain to me how embarrassed he would be if the Universal Construction Company was not an honest, straightforward firm because Washington had asked him earlier in the year if that company was a proper company to receive the contracts they were receiving from the Laotian Government, I presume, and he said, as best I can recall now, "I should have perhaps gone to my subordinates and made more inquiries than I did make, but I recommended that firm. I knew Mr. Peabody and thought very well of him."
>
> I might say here that Mr. Peabody is a most impressive person and would be perfectly capable of creating an excellent impression in spite of the fact I think his professional background is that of a wrestler. He went on to say that he had written two letters of recommendation for Mr. Peabody and that at that

very moment at which we were speaking Mr. Peabody was in Washington using the letter of recommendation from him which he termed as being a very nice letter of recommendation. That took about 15 minutes, and that left me 5 minutes to convince an Ambassador who didn't have much faith in me that it was a pretty messy situation.

That is the testimony given by Mr. Miller regarding this.

Senator Mansfield, you may have seen these typed questions we have prepared. We have gone through them completely, and I think we have made a rather complete record regarding this. Do you have any questions you want to ask Mr. Parsons?

Senator **Mansfield**. No.

Senator **Sparkman**. Mr. Parsons, you understand, of course, that the committee was called back and you were asked to come back before us because of these communications that came to us from the House committee.

I do not want you to read any undue implications in this, but I think you would agree with us that we would have been remiss in our duty if we had not asked you to come back and at least give us your side of the record in connection with these charges that had been called to our attention.

We appreciate your coming. You are going to supply some information for the record. If anything occurs to you that you would like to put in the record that you think would be helpful in explaining this whole situation to the committee, you are welcome to do so.

I suppose, though, that would need to be done rather quickly.

Mr. **Marcy**. This will not be made public in any way whatsoever.

Senator **Lausche**. I suggest those letters you wrote after you learned what Miller said be definitely put in the record. We understand they will be put in.

Mr. **Parsons** Yes, sir; that is entirely agreeable to me.

Senator **Sparkman**. I believe we asked about that a while ago.

Mr. **Parsons**. Yes, sir.

Senator **Sparkman**. If anything else occurs to you that you think would help clear the record we invite you to submit that to us.

Mr. **Parsons**. Thank you, sir.

DIFFERENCES WITH MILLER TESTIMONY

I might like to take advantage of that opportunity. I do not wish to detain you further tonight. I know how late it is, but I would like to say, first, by way of reference to the testimony from Mr. Miller that you read to me, my recollection, which admittedly is 2 years after the event, is quite at variance with his; and on some of the points which he makes, I could not possibly have said what he claimed I said.

I testified earlier as to that.

Senator **Sparkman**. You may want to supply a statement in connection with that because this was before the Hardy committee and, as I understand it, you had not seen that previously.

Mr. **Parsons**. I do have that from that part of the transcript.

Senator **Sparkman**. You do?

Mr. **Parsons**. Yes. That was fairly early.

Senator **Sparkman**. If you want to elaborate on that you may submit it for the record.

Mr. **Parsons**. Also, Mr. Chairman, I quite understand the reason I am appearing here a second time, and I think the committee certainly had no other choice than to make certain that it had full information as to my side or my attitude toward these matters.

From my part I am very gratified that I had this opportunity to come here because it has enabled me to place, I hope, in somewhat different perspective some of the matters which have been testified to elsewhere and which I did not have an opportunity to reply to.

I also feel that, in the event my nomination is proceeded with, it is very important for me to have an opportunity to appear before you because if I should be confirmed I will be dealing with important and responsible matters. And I do feel that the committee has every right to make up its own mind as to what sort of person I am.

SUCCESS OF AID PROGRAMS IN LAOS

I can tell you that this is a very painful matter to me, especially as the success of our aid programs in Laos has been, in my opinion, quite considerable.

You may have seen Ernest Lindley's article in Newsweek of June 1. He has just visited Laos. The title of his article was "Near Miracle In Laos."

I feel that through our aid program and through the way we have handled our affairs there we have prevented a country which was almost without any of the assets and attributes of sovereignty from going surely behind the Iron Curtain, or behind the bamboo curtain, more correct; and I think the odds against which we and many devoted people fought were very considerable, and that the success which they achieved has kept that country on this side.

I am very sorry that through wrongdoing on the part of one or two people, and through irregularities, waste, and mistakes—there is certainly waste and there are certainly mistakes that are bound to happen in any situation such as exists in Laos—the successful work which has been done there has been marred by matters of this kind.

Senator SPARKMAN. Thank you very much.

Senator HICKENLOOPER. May I just say, Mr. Chairman, that I have some information about the situation there, and I think almost a miraculous job has been done in Laos.

Mr. PARSONS. Thank you, sir.

Senator HICKENLOOPER. And is being done. I mean the whole continuing operation in Laos. What information I can get is that Laos has come from a country which, when you went there, was practically behind the Iron Curtain, nothing; there was not much there. There is probably as much encouragement in Laos today for sympathetic cooperation with the West as in any country in the Orient, and I think a good job has been done in Laos.

I am disturbed about this whole business. I am disturbed, in the first place, by the fact that a public hearing by a House committee apparently cannot be contravened at the present time for a public hearing of the facts on the other side of the question. That is the difficulty, and it is rather strange to me that you were not accorded the opportunity to canvass the situation in accordance with the three letters which you wrote to the committee.

But apparently you have not been accorded that opportunity.

It is a rather strange situation. I do not know about this fellow Miller; I do not know anything about him. But I think we are on rather dangerous ground if we just take wholeheartedly the rather spectacular statements of a man whose actions appear to be somewhat irregular in certain aspects, if the public or the Congress takes those wholeheartedly without canvassing the situation.

I think the chairman has done a good job here today in going through these questions, and certainly the Ambassador has answered the questions frankly and fully. I think a record has been made here.

Senator SPARKMAN. I certainly agree with you that we ought to have had the right to rebut things that were brought out in public. In fact, I believe in a free press, but I think we are overdoing it in many of the things that we are insisting upon.

Anyhow, Mr. Ambassador, we certainly appreciate your appearing before us.

Mr. PARSONS. I appreciate your courtesy.

Senator SPARKMAN. And the material you are going to submit—you do so as soon as you can.[1]

[Whereupon, at 6:30 p.m., the committee adjourned, subject to call of the Chair.]

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[1] The committee voted to recommend Parsons' confirmation on June 5; see Mutual Security Act hearing for that date.

BAGHDAD PACT MEETING[1]

[EDITOR'S NOTE.—The Council of Ministers of the newly renamed Central Treaty Organization (CENTO) met in Washington from October 7 to 9, 1959. Previously known as the Baghdad Pact, after the location of its creation in 1955, its name was changed when Iraq withdrew from the organization following its revolution. CENTO was chosen to signify its central position between NATO and SEATO. Iran, Turkey, Pakistan, and Britain were the four members of CENTO, while the United States remained an observer rather than a direct participant.]

FRIDAY, JUNE 5, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, at 10:40 a.m., in room F-53, U.S. Capitol Building, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Mansfield, Lausche, Church, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, Mr. Newhouse and Mr. St. Claire of the committee staff.

The CHAIRMAN. The committee will come to order.

We have before us this morning Assistant Secretary of State Rountree to tell the committee about why the Department thinks the Baghdad Council should meet in Washington next October.

We are very glad to have you, Mr. Secretary.

STATEMENT OF WILLIAM M. ROUNTREE, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS; ACCOMPANIED BY HERMANN EILTS, BAGHDAD PACT OFFICER, STATE DEPARTMENT

Mr. ROUNTREE. Thank you, Mr. Chairman. As I believe you know, Mr. Chairman and members of the committee, the United States has been pressed for some time by members of the Baghdad Pact to meet here in Washington. Although we are not a member of the Baghdad Pact, the member states have felt that our association has been very close and our interest in the organization has been manifested in various ways, particularly in light of the situation in the Middle East at the present time, following the withdrawal of Iraq from the Baghdad Pact and the efforts of the remaining member states to provide strength and cohesion to the Baghdad Pact organization.

They have strongly urged us again to meet here in Washington. We have considered the pros and cons of this, and have concluded that it would be in our interests to accede to this request to meet here in Washington. Indeed it would be very difficult to refuse again to extend the invitation. Normally the Baghdad Pact meets in the Middle East member states.

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[1] See Appendix D.

They had their most recent meeting in Karachi, and normally under the past schedule, Iran would be the meeting place for the next council session. The Iranians particularly desire that it be held here in the United States rather than in Teheran. We believe that although an invitation should be extended for the council meeting to be held in Washington, the meetings of the various committees should be held as in the past in the regional member state countries.

It is our plan therefore to extend an invitation for the council to meet here in October, but to propose that the economic, military and other committees meet a month earlier in the Middle Eastern region, perhaps in Ankara. That generally is the situation, Mr. Chairman.

I would be very pleased to answer any particular questions that you or other members might have.

The CHAIRMAN. What did you expect from the committee when the letter was written? Did you expect the committee to take a position on it?

Mr. ROUNTREE. The letter was written to the committee, Mr. Chairman, because of the past interest of the committee in the Baghdad Pact and developments related to the Baghdad Pact. This is a significant development in that it is the first time that the Pact organization would be meeting here in Washington, and the highest levels of the administration felt that the committee should be informed before any invitation was extended.

The CHAIRMAN. You didn't desire our approval or disapproval?

Mr. ROUNTREE. We did not seek any particular action by the committee, but we wanted the committee to be informed, and of course if the committee has any views on this, I would be very pleased to receive them.

The CHAIRMAN. Does anybody wish to express any views? Senator Aiken?

NAME CHANGE FOR THE BAGHDAD PACT?

Senator AIKEN. I wondered if there was any proposal to change the name of the Baghdad Pact? Are you hopeful enough to think that Baghdad might return to it some day?

Mr. ROUNTREE. This is a matter that has received considerable thought, Senator, and I can't speak for the members of the Baghdad Pact on this question, but it is our hope that a change in name will be considered in the very near future.

Senator AIKEN. Otherwise it seemed to me when I first saw the letter yesterday that the Communist states and perhaps the so-called neutral states might make quite a lot of having a meeting of the Baghdad Pact in a country that was not a member, and after Baghdad had withdrawn from it. It seemed to have some possibilities for propaganda purposes

Mr. ROUNTREE. I am sure that is correct. and I hope that it might be possible to change the name of the organization, at least have agreement upon a change of the name, before the meeting of the council here in Washington.

Senator AIKEN. Yes. I think it is a perfectly good idea to have the representatives of these countries meet here, but the only thing that bothered me somewhat was whether we might be subject to a considerable amount of ridicule.

Mr. **Rountree**. I think there is merit in what you have said.

Senator **Aiken**. So long as it is called the Baghdad Pact.

Mr. **Rountree**. There is merit in what you have said, and we are expressing views which I hope will result in a change.

The **Chairman**. Is there anything further? Senator Hickenlooper?

THE ADVANTAGES OF A PACT MEETING IN WASHINGTON

Senator **Hickenlooper**. I just wanted to say that I can see reasons which would make it desirable to lend encouragement and a feeling of cooperation with these nations by having a meeting here in Washington. Manifestly from a technical standpoint we are not a member of this Pact, but we are participants in it to a fairly substantial degree. It is a question of a balance of judgment that is involved here as to the advantages against the disadvantages. There is a certain amount of prestige involved as far as these countries are concerned. I think it means a great deal to them, and perhaps they may feel that they can't be accused of being orphans of the storm quite so much if they meet in Washington.

That casts a mantle of at least association with the United States, the so-called leader of the free world. I could see those advantages to them from a propaganda and prestige standpoint in meeting here.

I have no objection to it. I presume that if Iraq is irrevocably out of this business, it would be desirable perhaps, if possible, to find some other appropriate name for the organization rather than to attach the name of Baghdad to it.

I suppose Baghdad is the name attached because the Pact was generated in Baghdad, just like the Pact of Chapultepec comes from Chapultepec and the Treaty of Rio comes from Rio.

It is the matter of the situs of the agreement. But I presume the Russians will make propaganda out of anything, regardless of where it is held. I do think it would be desirable if we could find some other name for it.

Senator **Aiken**. I am not so sure, Bourke, that we want the new name to be Chapultepec.

Mr. **Rountree**. No, we would oppose that.

Senator **Hickenlooper**. I can see arguments for its advantage, and so far as I am concerned probably the arguments for its advantage outweigh the arguments against it.

Mr. **Rountree**. We feel that way, Senator.

The Middle East member states are naturally extremely anxious to have a continuing demonstration of American interest in their collective security efforts, and they have felt for some time, and now particularly, that a meeting in Washington would serve a purpose consistent with this objective.

Senator **Aiken**. The purpose is really to bolster their morale, isn't it?

Mr. **Rountree**. That is correct.

Senator **Hickenlooper**. I have talked to Iranians, for instance, and Pakistanis, and I have been in Iran and Pakistan. And I think it is very evident that most of us of course can become experts on a country in a 2-day visit, can pontificate on a couple of days' visit. But the anxiety is definitely expressed by these people, both in their own countries and when you talk to them in other places about "Is the United States really our friend, will the United States leave us in the lurch when the going gets tough, are we really just pawns in this thing or are they sort of a helpful part of this group?" I think that encouragement, the psychological impression that may go out in not only these countries but in other countries of the Far East, would have advantages.

I do feel, at the moment anyway, that the advantages substantially outweigh any objections to it.

The CHAIRMAN. Any further comment?

Senator MANSFIELD. Mr. Chairman, I just have one question. SEATO was organized before the Northern Tier group; is that correct

Mr. ROUNTREE. Yes, sir.

Senator MANSFIELD. Are we a full-fledged member of SEATO?

Mr. ROUNTREE. Yes, sir.

Senator MANSFIELD. Has SEATO ever held a meeting in Washington?

Mr. ROUNTREE. I don't believe that it has in the past, Senator, but I believe that it is planned that a meeting of SEATO will be held in Washington.

Senator MANSFIELD. But is it your belief, as far as this particular meeting is concerned, that because of the unsettled situation relative to complete withdrawal of Iraq from the Northern Tier, it might be reassuring to have it in Washington in the fall?

Mr. ROUNTREE. Yes, sir.

Senator MANSFIELD. Even though we are not a full-fledged member of the organization?

Mr. ROUNTREE. That is correct.

Senator MANSFIELD. That is all, Mr. Chairman.

The CHAIRMAN. Senator Church?

Senator CHURCH. I have no questions, Mr. Chairman.

UNWISE TO MEET IN WASHINGTON

The CHAIRMAN. Mr. Rountree, I appreciate your coming here. I guess in order to complete the record I must repeat what I said. I think it is very unwise because it will inevitably stir up memories of a very unfortunate past in this connection. If you want a pact you can form a new pact no matter what you call it. You can call it Ankara or Teheran or any other pact. I think it is very unfortunate that, just as we think we are trying to reestablish some relations with the Egyptians for better or worse, we should revive these bitter memories associated with the Baghdad Pact and the image of failure which it represents.

It is a matter of judgment and there is nothing we can do about it. I just think it is very foolish but there is nothing we can do about it in any case. I wouldn't have volunteered this except that you asked for our comments. That is all so far as I am concerned.

I regret it, and I can anticipate just what the propaganda will be. I don't see how you can avoid it. If you must do it, why can't you think of a new name and invite them under a new name? I think everybody here agrees that you will be exposing yourself to propaganda, which we agree we can't stop. But there is no reason for us to give them a perfect opportunity, almost an invitation, to revive the idea that we are now moving in where we try to use them as pawns, and that fails so we are now moving in and we are taking over in place of Iraq.

There are all kinds of possibilities.

Mr. ROUNTREE. Senator, I would certainly agree that there are certain problems involved in this that have to be weighed, the pros and cons. And I believe also that the other members of the organization are seriously considering a change in name for some of the reasons that you have mentioned here.

We do desire to continue our efforts to include relations with Nasser and the other states in the area; and in treating this and our other relationships, we are constantly bearing in mind the effect that it might have upon that objective of relations with the United Arab Republic.

The CHAIRMAN. I haven't anything more. Thank you very much, Mr. Rountree.

[Whereupon, at 10:50 a.m. the committee proceeded to further business.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

FRIDAY, JUNE 5, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to recess, at 10:40 a.m., in room F–53, U.S. Capitol Building, Hon. J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Mansfield, Morse, Gore, Lausche, Church, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, Mr. Henderson, Mr. Newhouse and Mr. St. Claire of the committee staff.

The Chairman. It was very unfortunate yesterday that the intervention of that Thor business interfered with Mr. Parsons. I understand that you stayed on and heard it.

Senator Aiken. I guess John Sparkman stayed on.

The Chairman. I felt I had to stay on the floor.

PARSONS NOMINATION

Senator Hickenlooper. My view is that it is a very unfortunate thing. According to Mr. Parsons' records and his statements, I don't see the slightest basis for any criticism of him. I think it is unusual that this House subcommittee held an executive session, as the record shows, with Parsons and Walter Robertson. Then they held an open session with this fellow Miller.

And Miller makes a lot of charges that don't seem to be borne out by the record necessarily; he attempts to place responsibility where responsibility clearly is not lodged. He makes a lot of statements about failure of the American mission there to make contacts with certain people and he names two or three of them. Mr. Parsons' statement says that these are prominent people in Laos and they were at his house repeatedly for dinner, that he had constant contact with them.

Robertson says that the mission never even knew who these people were. It is a confusing situation. Miller was not really an employee of the Embassy. He was working for the ICA, and he was under their jurisdiction, as far as administrative operations are concerned. He made some statement about Ambassador Parsons, to the effect or the connotation at least that Parsons tried to get him to soften his report. Parsons said that there wasn't the slightest thing to it, that he saw him only once when these things began to turn up, and talked to him about this matter. And Miller said that Parsons told him he had written a letter of recommendation for a contractor which the contractor was using in this country in order to get contracts.

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[1] See Appendix B.

But Parsons has copies of the letter that he wrote, which is not a letter of recommendation at all. But it was a letter commenting upon the international good will which had resulted from the completion of a project. It did not go at all to the merits or the demerits of the contractor, and said that it had made quite an impact in Laos with the completion of a highway or some other project that they had there.

The CHAIRMAN. What do you think we ought to do about it?

Do you think there is any reason to hold it up any longer?

Senator HICKENLOOPER. I don't know whether we should get in touch with the House committee and talk to them further about this matter. But at least based on Mr. Parsons' complete willingness for all the records and everything else, this automobile transfer business, the two transfers that they talk about, were completely within the regulations that the Embassy had established and were okayed. And he knows nothing about any private arrangements that they had, but the transfers were completely within Embassy regulations.

I was quite impressed with Mr. Parsons' frankness and his perfect disclosure of the records. I don't know; I can't necessarily pass judgment on hearing just one side of the question.

The CHAIRMAN. As you know, in the past there has been a tendency on the part of some of the people opposed to the MSA program to save up their reports and bring them out just before the vote in the House. I have a feeling this might be another case, but I thought in our defense at least we can say we went into this and we didn't think there was much in it. Is that what you have in mind?

Senator HICKENLOOPER. What I was going to say is this. I think it would be unfortunate if the House committee with its meager record—and it is practically a unilateral record, not a complete record so far as the public record is concerned—would come out with some blast against this fellow Parsons that is unjustified.

The CHAIRMAN. I think it would be unfortunate too, not only for him and the Department, but for the committee to disapprove him. That is what I also have in mind. I don't know what we can do about it. What do you think we might do about it?

MILLER'S CRITICISMS

Senator HICKENLOOPER. Well, extracts were read from letters Miller had written which indicate not an erratic approach but sort of a volatile flight into criticism, in which he said—I am paraphrasing to the best of my recollection—there was nobody in that country who knew anything about it except the French, who were the only people capable of operating the program in Laos, and that we should in effect turn all of our operations over to the French.

Of course, one of the criticisms was that his complete associations were almost exclusively with a certain class of French in Laos. Maybe that is right and maybe it isn't. I just don't know. But to have a one-sided exposition of this thing would be most unfair to the country and to the guy that has spent his life in the diplomatic service. So far as I know, from everything I can hear about him, he is a high-class fellow.

The CHAIRMAN. You can see nothing to indicate he is at fault.

Senator LAUSCHE. Mr. Chairman, I listened to the testimony yesterday. Parsons said he appeared in closed session with the House committee. Subsequently he read in the newspapers certain statements that Miller made. Did Parsons then write three letters to Hardy?

Senator **Hickenlooper.** Yes.

Senator **Lausche.** He did not directly ask to testify and give answers to the charges made by Miller, but he used language that was tantamount to a demand.

Senator **Hickenlooper.** Frank, I think what he said was about as far as he could go. He said "I stand ready to give you this information and I stand ready to appear." But Frank is right. He did not say "I request the opportunity to appear." He said "I stand ready to make these corrections, to give you the evidence on this subject."

Senator **Mansfield.** It is the same thing.

Senator **Hickenlooper.** I think it is the same thing.

WEAKNESS OF HEARING

The **Chairman.** Yes.

Senator **Lausche.** He was polite and used language that went as far as politeness would permit without demanding that he be heard. Hardy did not answer either of those two letters. Parsons was not called. But now here is a dilemma that I am laboring with. We heard Parsons but we did not hear Miller, so the very weakness that resides with the House hearing is with us. He impressed me as a very candid and able man. I think he said that 17 automobiles were sold by persons in the Federal service who were leaving Laos and coming to the United States.

You can well understand that they are not going to haul those machines back. He further said that when he went there, he adopted a rule that no American equipment—automobiles or radios or otherwise—were to be sold except in conformity with the rule which he adopted, that you shall not sell at a price in excess of what you paid for it, because over there things are so scarce, I think he said, that you can get two or three times as much.

The **Chairman.** Yes.

Senator **Lausche.** I think that about summarizes it as I see it. My only query is should we call Miller?

Senator **Mansfield.** Mr. Chairman, I think if we are not careful this is going to develop into the very thing we don't want it to become, a political issue. This man's name is on the calendar. I think that our handling of him yesterday was very discreet and in our best interests and in the best interests of Mr. Parsons and the Department. If that name stays on the calendar, you are going to have the newsmen snooping around asking why he isn't brought up and they may find out.

Mr. Miller has not been before us but his testimony has been given in open session. I didn't hear all of the testimony yesterday—maybe a quarter or a fifth of it, because I did try to come in two or three times; but I am willing to go on what Bourke and Frank said and suggest that on the basis of the laying of the cards on the table by Secretary Parsons, we get rid of this as quickly as possible, get his name off the calendar and report it.

Senator **Lausche.** I might add that he said there were about 130 Federal employees. Miller was a very subordinate person, and Parsons said "My position as Ambassador, I wasn't in contact with each of those men knowing what they were doing by way of sales or otherwise."

The **Chairman**. Yes.

Senator **Lausche**. And then he emphasized the fact that Miller was an employee of ICA.

Senator **Mansfield**. Of course, what Bourke says about his constant contacts with the French is correct.

It would appear to me that his constant contacts, if any, ought to have been with the Laotians, because we were working with that government and not with any French mission except incidentally.

Senator **Hickenlooper**. We have, I believe, in the record of yesterday, the excerpts of the letter which Miller wrote. He wrote several letters.

Senator **Lausche**. That is correct.

Senator **Hickenlooper**. Now so far as I am concerned I am thoroughly satisfied with Parsons.

The **Chairman**. You agree with Mike's suggestion?

Senator **Hickenlooper**. I would agree with that, but I do think it would be unfortunate if the Hardy committee would tee off. But by the same token if we get Miller in here it is going to be a cause celebre.

Senator **Mansfield**. They will probably do it anyway, Bourke.

PARSONS' LETTER TO HARDY

Senator **Hickenlooper**. They may. Here is a letter, for instance, which Parsons wrote on April 3, 1959, to Mr. Hardy. He canvasses a lot of these things. He says that there is simply nothing to these allegations, and he says: "If called before your committee, I will hope to deal with testimony which Mr. Miller has apparently given expressing dissatisfaction with my treatment of him in my office."

Then he goes on further: "I should like to add that Mr. Miller had no reasonable cause for complaint."

He goes ahead and says "As a matter of fact I called in people to listen to these complaints," and so on.

This is only one of three letters which he wrote to the Hardy committee, in each case saying that he would be glad to canvass these so-called allegations, which I think from the standpoint of training of a diplomat is about as far as they feel they can go in demanding hearings before a congressional committee.

Senator **Aiken**. Our problem doesn't seem to be so much a matter of approving Mr. Parsons as it does engaging in a controversy with a House committee, and apparently we think differently on the situation.

A SERIOUS TENDENCY TO ESTABLISH GUILT

This points up, Bill, a serious situation in government which goes beyond Mr. Miller, and that is the tendency on the part of at least some government investigators, when a complaint is made against a person, to make that investigation with the purpose of establishing the guilt of that person. I have another case on that where there was absolutely nothing at all, and yet the investigator apparently did everything he could to establish a guilt which wasn't there.

This may have been similar to that, and evidently they think they are failures if they don't get something on somebody.

The **Chairman**. I think there is a tendency of investigators who do feel they are failures if they don't find something wrong.

Senator **Aiken**. Just like a traffic cop stands in a 25-mile-an-hour zone and picks up people who are going 30 miles an hour.

Senator **Carlson**. Just like the revenue collectors. They have to go out and get revenue when they check income tax returns.

Senator **Hickenlooper**. He impresses me as a decent, honest honorable fellow. That is my impression of him, and I have made some inquiry about him.

GOOD REPORTS ON PARSONS

I made some inquiry about him at the time he was up here for confirmation of people who have known him, and I get very good reports about his ability and his record and his good judgment. I don't know that he is a ball of fire. I don't know that he will ever set the world afire. I don't know the opposite either. But I get nothing but very good recommendations for Parsons and his integrity, and his devotion to duty and his meticulous care in administering his job.

So my opinion of him is very good and I am perfectly willing to go ahead with confirmation.

ADVERSE PUBLICITY

Senator **Aiken**. This case has been publicized by Fulton Lewis and a little paper called "Human Events."

I don't know who publishes that. And it has been generally distributed, giving Miller's testimony. It has been given to the press too, because Miller, the investigator, gave his testimony in public and Parsons gave his in executive session.

Senator **Mansfield**. George, it reflects against the aid program.

Senator **Aiken**. They are against the aid program and are selecting instances to discredit it. I think that is a safe assumption.

For instance, there was a $200,000 barn that was built for a farmer over in Lebanon, putting up an experiment station. The story is that $200,000 was spent on a barn. This seems to be one of those cases, but we have to face the fact that the commentators are going to town.

Senator **Mansfield**. They will do it anyway, George.

Senator **Aiken**. I think it goes without saying that the Hardy committee is going to blast Mr. Parsons.

Senator **Mansfield**. It might. We may be brought into it but I think we ought to let them draw us into it and then go back to the record made here.

Senator **Aiken**. Whether our approving him first would have any bearing on their report or not, I don't know.

Senator **Carlson**. In my opinion it would. I think if we confirm this man immediately it puts them on the spot.

Senator **Aiken**. It would make them the aggressors.

Senator **Carlson**. That's right.

Senator **Aiken**. In a clash between the two Houses.

Senator **Mansfield**. But if his name is kept on the calendar some newspaperman is going to snoop around.

Senator **Hickenlooper**. I agree, Mike. If his name is kept on the calendar, that is going to explode one way or the other.

Senator **Carlson**. That's right.

LACK OF RESPONSE BY HARDY COMMITTEE

Senator **Hickenlooper.** So far as I am concerned, we are faced with the fact that the Hardy committee has not seen fit to call him in with his repeated—well, they are tantamount to requests to appear before that committee. When a man says, "I stand ready to come before your committee again and discuss these matters which I see reported," that to me is a request in diplomatic language to appear before the committee. He has done that three times. He has not even had a reply from the committee to any of these letters. So far as I am concerned, I am ready to proceed. I think it would be too bad if the Hardy committee decides to take——

Senator **Aiken.** They are not aware of what has been going on here.

Mr. **Marcy.** They have been asking about the meeting which went on yesterday afternoon.

Senator **Aiken.** They asked if we had gotten any unusual news from the Middle East. I told them no, that it was routine.

Senator **Hickenlooper.** As a matter of fact, on the record which we have as of yesterday, I am prepared to defend our action.

Senator **Mansfield.** I heard John Sparkman saying to the newsmen that nothing happened, that we just got a briefing on the situation in various countries.

MUTUAL SECURITY

Mr. **Marcy.** If you don't mind, while we are waiting we might pass around these papers, Senator, with your amendment. There are three papers. One is an executive branch position with respect to the Mansfield and Fulbright amendments on putting the military assistance program in the Defense Department budget. The Draper committee is supporting that position. There is also a strengthened version of the Mansfield amendment which appears on page 77 of the markup print.

SUBSTITUTION OF MANSFIELD AMENDMENT

Senator **Mansfield.** I think you ought to say, Carl, that this strengthened version has been sent down by Secretary Dillon with his recommendation that it be incorporated. As far as I am concerned I am perfectly willing to withdraw the amendment already agreed to, provided that the Department amendment is accepted.

I would like to see them take more initiative in this respect, especially the one that amends Section 523(c).

That is the one I offered.

Mr. **Marcy.** The one you might want to look at is the short one here on 523(c).

Senator **Aiken.** This is a substitute for the Mansfield amendment approved tentatively yesterday.

Mr. **Marcy.** Yes, sir.

Senator **Mansfield.** Yes.

Senator **Hickenlooper.** Now what did you say, Mike?

Senator **Mansfield.** I would be willing to withdraw the amendment which was tentatively agreed to yesterday and substitute the amendment which the Department sent down. I understand that this is the handiwork of Secretary Dillon and that he has recommended that this be incorporated. It is a better amendment than mine and I would like to see it in.

Senator AIKEN. Is this what you refer to?

Senator MANSFIELD. Yes, to amend section 523(c), George. That is the one, and it applies to the amendment on page 77.

Mr. MARCY. That's right.

Senator AIKEN. But this does not remove the military assistance program from the bill.

Senator MANSFIELD. No, no. This is to strengthen the hand of the Secretary of State.

Senator CHURCH. This is just to give added emphasis to the fact that he is the architect and has the ultimate control over deciding whether there shall be a military assistance program and the extent of it.

Senator MANSFIELD. Right.

Mr. MARCY. I think the committee should know that there apparently is quite a struggle going on between the Department of Defense and the Department of State, so this is not a coordinated executive branch position which is represented by this piece of paper.

Senator MANSFIELD. But it is Dillon's position.

Mr. MARCY. But it is Dillon's position; that is correct, sir.

Senator MANSFIELD. I think this is a better and stronger amendment than the one I offered.

Senator CHURCH. Mike, I would be amenable to substituting the Dillon amendment in place of the one tentatively approved yesterday, because it seems to me very clear that this is quite properly the province of the Secretary of State, and anything that would strengthen or clarify that in the law would seem to me to serve the public interest.

Senator MANSFIELD. But I am especially happy that it is being proposed by the Department of State, and the acting Secretary.

Senator AIKEN. What do you think about their request to have the authorization of military assistance on a continuing basis, Mike?

Senator MANSFIELD. Yes, that is fine because in that way it leaves that with the committee, as I understand it; is that correct?

THE PARSONS NOMINATION

The CHAIRMAN. What about Parsons? Is it the consensus of opinion that we go on?

Senator MANSFIELD. I move that we report him out again and try and get him off the calendar today if at all possible.

The CHAIRMAN. He is already out. All we need do is ask the leadership to take it up; isn't that right?

Senator MANSFIELD. Yes.

Senator AIKEN. It is up to the leadership to call him up.

The CHAIRMAN. Yes. Is everybody agreed on that? That suits me fine. We have checked it, and from the reports I think the hearing yesterday——

Senator AIKEN. That would make the House the aggressor.

The CHAIRMAN. That's right. All in favor of the motion say aye.

[There was a chorus of ayes.]

The CHAIRMAN. Opposed, no?

[No response.]

The CHAIRMAN. The motion is carried.

Mike can convey that.

DILLON'S SUGGESTED AMENDMENT

Senator MANSFIELD. Mr. Chairman, we have been discussing the amendment representing the views of the Department and the Acting Secretary of State, Mr. Dillon, as a substitute for the amendment on page 77 which was adopted tentatively yesterday.

I am perfectly willing to withdraw my amendment and substitute the State Department's amendment because I think it is better and stronger, and furthermore I repeat that I am delighted that the State Department has indicated an initiative in this respect.

The CHAIRMAN. Do you make such a motion?

Senator MANSFIELD. I do.

The CHAIRMAN. Any discussion?

Senator CHURCH. I second the motion.

The CHAIRMAN. The motion is made and seconded. All in favor, say aye.

[There was a chorus of ayes.]

The CHAIRMAN. Opposed, no?

[No response.]

The CHAIRMAN. The ayes have it. The motion is carried.

Now what is next?

Mr. MARCY. Mr. Chairman, I suggest that you might now revert to the discussion of the other day of the Mansfield and Fulbright amendments relative to the Defense Department budget. You will recall that the Fulbright amendment is on the bottom of page 9, and the Mansfield amendment is at the top of page 11 in the right hand column. In this connection you each have in front of you two other papers. One is expressing an executive branch position regarding the latest reports of the Draper committee which is referred to. That report has not been made public, but I take it this is an excerpt from its report.

The second paper before you is a staff memorandum which contains the variety of proposals before the committee and several other suggestions which you might want to look at in discussing this.

The CHAIRMAN. They accept both amendments, don't they, Mike, if I read that correctly?

Senator MANSFIELD. Yes.

[The documents referred to follow:]

UNITED STATES SENATE

COMMITTEE ON FOREIGN RELATIONS

Staff Memorandum June 5, 1959

Alternative Forms of Authorization for Military Aid Appropriations

Existing Law

There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1959 to carry out the purposes of this chapter not to exceed $1,605,000,000, which shall remain available until expended.

Senator Fulbright amendment

There are hereby authorized to be appropriated to the President for use beginning in the fiscal year 1961 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

Multi-year authorization, open-end

There are hereby authorized to be appropriated to the President for use beginning in the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

Multi-year authorization, specific amounts (same form as adopted by the Committee in the proposed Mutual Security Act of 1957)

There is hereby authorized to be appropriated to the President for use beginning in the fiscal year ——— to carry out the purposes of this chapter not to exceed $—————, which shall remain available until expended. There is hereby authorized to be appropriated to the President for use beginning in the fiscal year ——— to carry out the purposes of this chapter not to exceed $—————, which shall remain available until expended.

Multi-year authorization, single amount

There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 $5,000,000,000 which shall remain available until expended.

Amendment of section 507

If section 507 were amended to read as follows, the authority given in section 102 to furnish military assistance would be sufficient to enable the President to request, and the House Appropriations Committee to report, a bill appropriating funds for the purpose:

Sec. 507. *Availability of Funds.*—Except *for funds to carry out the provisions of chapter I, and except* as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.

Review by the Committee on Foreign Relations

If a permanent authorization were approved for military aid appropriations, the Committee could take the occasion presented by the annual request of the President for changes in the Mutual Security Act of 1954 relating to other kinds of aid either to recommend repeal of such a permanent authorization, or the imposition of limits on the use of military aid appropriations for particular areas or countries, or other conditions. Such a review by the Committee might be facilitated by an amendment to the Mutual Security Act of 1954 providing:

"The President shall annually, at the time of requesting changes in this Act, present his programs for expenditure of military assistance appropriations to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives."

TRANSFER OF MILITARY ASSISTANCE FUNDS TO THE DEPARTMENT OF DEFENSE BUDGET

Senator Fulbright has introduced an amendment to Section 103(a) of the Act which would provide a continuing authorization for military assistance funds, such funds authorized to be appropriated to the President; and Senator Mansfield has introduced an amendment to Section 523(c)(2) of the Act to provide that the Secretary of State shall in addition to setting the value of military assistance in a country, determine whether or not there shall be a military assistance program in any country.

Executive Branch Position

The Executive Branch has refrained from taking a position on these amendments until the President's Committee to Study the United States Military Assistance Program (the Draper Committee) had an opportunity to study the matter and make its recommendations thereon.

The Draper Committee has now issued its report on this subject and recommends acceptance of the following two basic concepts:

"1. The strengthening of the position of the State Department on the policy level of military assistance planning and an increased assurance of the conformity of the Military Assistance Program to foreign policy and to related assistance programs.

"2. The focusing of responsibility on the Department of Defense for planning, programming and execution of military assistance within the framework of policy guidance laid down in the National Security Council and by the Department of State."

The Draper Committee recommends that effect be given to these two concepts principally by executive action, but recommends two legislative actions:

1. The appropriation of military assistance funds for FY 1961 in the Department of Defense budget in a separate title of the regular Defense Department appropriation bill, with the appropriation to be made directly to the Department of Defense; and

2. A revision of the Mutual Security Act of 1954 in the current session of Congress to place the authorization for military assistance on a continuing basis.

The Executive Branch accepts these recommendations. It would accordingly favor the amendment proposed by Senator Fulbright for a continuing authorization for military assistance as a first step towards the transfer of military assistance to the Department of Defense budget with appropriation to the Department of Defense. The Executive Branch is firmly of the opinion that military assistance to foreign countries is an inseparable part of the foreign policy of the United States. It therefore accepts the principle underlying the amendment proposed by Senator Mansfield aimed at strengthening the foreign policy direction of the Secretary of State in the military assistance program, and would support new language in the act aimed at the accomplishment of this objective.

Amend section 523(c), which relates to coordination with foreign policy, to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

"OPEN-END" AMENDMENT

Senator AIKEN. I don't like the open-end amendment, Mr. Chairman, and with all funds remaining available until expended. It wouldn't take very long for the executive branch to be completely out where they could tell the legislative branch where to go. This proposal is nothing new. They have been trying to get that for a long time. I think this committee had better look those things over.

Senator CHURCH. Mr. Chairman, I am in wholehearted agreement with the Senator from Vermont. I expressed myself yesterday on that point. It seems to me these two amendments contradict one another, and for the executive department to approve both involves an inherent contradiction, in my opinion. We say on one hand, "We want to strengthen the authority, even the authority in the law, to make it clear that the Secretary of State decides whether we have military assistance programs because this is an essential and inherent part of our foreign policy," and then to say on the other hand, "We ought to strip the Foreign Relations Committee of all effective control over the size of the military assistance program and where it is to go." That is what this involves.

Senator AIKEN. That's right.

Senator CHURCH. That is exactly what this involves.

Senator AIKEN. That is what it means.

Senator CHURCH. That is what it means. It involves a contradiction, and it would seem to me to be an open invitation to turn this over to a committee that properly ought not to make that decision.

Senator AIKEN. I would be willing to go along with the specific amount to remain available.

Senator LAUSCHE. For what period of time?

Senator AIKEN. After the year is up, to have $1.6 billion, or whatever it is, remain available.

Senator CHURCH. Yes.

Senator AIKEN. Because I can see that it might not be possible to spend it all by July 1. If we required them to do that, they certainly would obligate it all before July 1.

Senator CHURCH. Sure.

Senator AIKEN. And then recapture it afterward. But as for the open-end authorization, that takes it out of our hands.

The CHAIRMAN. That is exactly where it is now in the Defense Department. They ask for a lump sum, $40 billion.

Senator AIKEN. And who knows where the Defense Department stands financially today? Nobody. I don't think McElroy or anyone else can tell you within $10 billion how much they have available. I know it is an enormous job to go over it all the time, but I don't think it is safe to do otherwise.

MAKE DEFENSE DEPARTMENT LESS EAGER

Senator MANSFIELD. George, the amendment on page 11 which we discussed at some length yesterday afternoon recognizes the initial authority but not the final authority of the Secretary of Defense. It is not an open-end authorization, and it will not end the annual congressional review of the authorization for military aid. It may make the Defense Department less eager to seek dollars for foreign aid if they have to choose between using them abroad and using them at home, and it will not subject us to the charge of trying to conceal foreign military aid in the Defense Department budget; and that might be the case if as some propose it went the whole way to give the Defense Department this authorization.

As a matter of fact, I am in favor of both.

Senator AIKEN. As a matter of fact, as I pointed out yesterday, to put the appropriation for the foreign military assistance under the Defense Department, there will be emphasis on getting that spent here in the United States.

But somebody else pointed out that we are already spending 85 percent of the foreign military assistance in the United States.

Senator MANSFIELD. That's right.

Senator AIKEN. So maybe that isn't so important.

Senator CHURCH. Mr. Chairman, as I said yesterday, I favor the Mansfield amendment as it is proposed on page 11. I think that it might result in positive good, and I can't see that it will do any harm. But I respectfully oppose the Fulbright amendment at the bottom of page 9, which I take it is the one that has been endorsed by the administration. And in view of the fact that this involves a fundamental shift of jurisdiction and control over a very important segment of American foreign policy, and in view of the fact that several members of the committee expressed concern about this and voiced their own feeling of question or disapproval yesterday in the course of our discussion, I think that this is a question of such monument as ought not to be passed on now, but ought to be deferred until the full committee is here and I ask that.

The CHAIRMAN. That is a good suggestion. It is very involved and we will have to have a full vote on it anyway. I think we ought to let it pass over. We can develop it to at least where we understand it.

A TERMINAL DATE

Senator **Lausche**. May I ask this on Senator Aiken's request, and that is on this variation of approach that is set forth on this staff memorandum, in the third paragraph:

"Multi-year authorization open end: There are hereby authorized to be appropriated to the President for use beginning in the fiscal years 1961 and 1962." That fixes the time for 2 years.

Senator **Aiken**. What about that word "beginning"?

Senator **Lausche**. I suppose that for 1960 we would fix it this year.

Senator **Aiken**. Yes, but just say "to the President for the fiscal years 1961 and 1962."

Senator **Lausche**. Yes.

Senator **Aiken**. And then leave it "sums shall remain available until expended"?

Senator **Lausche**. On my book I wrote this. "This is a carte blanche authorization without terminal and will obviate annual review by Foreign Relations Committee." I doubt its soundness, because it is without terminal. But now this one that I just read does have the terminal. It is for 2 years, 1961 and 1962.

Mr. **Marcy**. That is correct. Then it would have to come back again in 1963.

Senator **Aiken**. I still don't like that word "beginning."

Mr. **Marcy**. I think, Senator, that could be left out.

Senator **Aiken**. I think that could be left out, and on the Mansfield amendment perhaps there could be a little clearer language.

The **Chairman**. How would it be to have the staff supply all of the members who are not here these documents and let them study this until next week? We have gone about as far as we can go. I don't think we ought to vote on this right now.

Senator **Morse**. Mr. Chairman.

The **Chairman**. Yes.

Senator **Morse**. I haven't had the benefit of the discussion but just the explanation made here this morning. I want to say only that I share the views, as I understand them, of the Senator from Vermont and the Senator from Idaho and I will study this until next week as the chairman suggests.

I agree that it be postponed, but I am not willing to go as far as 1963 if I understand that is what is being proposed. I happen to believe two things, gentlemen:

A CLOSER CHECK ON FUNDS

We have to maintain a much closer check on the expenditure of these military funds. I think we should delegate that surveillance right to the State Department. Second—and I may be completely wrong—but we are confronted with a changing attitude on the part of the American people.

We are going to find that attitude intensified long before 1963, in my opinion. And I don't want to see us in the position where we have passed away to the State Department our authority over these funds. Therefore, I am willing to take the Mansfield amendment on page 11, but I would want to vote on the floor for an annual check on the expenditure of military funds.

Senator AIKEN. I think a lot of people were surprised as I was, about 6 weeks ago, when the Defense Department announced it had $60 billion worth of surplus property that it didn't know what to do with. They can't get rid of it, don't know what to do with it. It would wreck our economy if they put it on the market.

I realize they are bound to have obsolete equipment, particularly in the Air Force, but $60 billion! A lot of that is machine tools.

Senator MANSFIELD. Mr. Chairman.

The CHAIRMAN. Senator Mansfield.

Senator AIKEN. That is an awful lot of surplus property.

Senator MANSFIELD. George has raised the question about different language. Senator Gore made some language and suggested changes yesterday because he didn't like the use of the words "direct competition;" "that has come into direct competition."

REVISED AMENDMENT

Personally, I still think the amendment is good in its original form, but here is a revised amendment which you might distribute. It reads as follows:

"Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted"—scratch out "come into direct competition"—"for financial support with," so that it will read, "shall be budgeted so as to measure and compare their contributions to effective military security for the United States and its allies with the contribution of other activities and programs of the Department of Defense."

Would that suit you any better, George?

Senator AIKEN. Well, what I was thinking about was people reading that understanding what it means.

Senator MANSFIELD. They understand what this means the way it is now.

Senator AIKEN. That "direct competition" sounds too much like Nike and Bomarc.

Senator MANSFIELD. The point is, George, they always tell us that a certain amount of money spent in this program; a dollar spent here is the equivalent of $6 or $7 spent overseas.

Senator AIKEN. I know what you mean, Mike. I would just as soon the staff would work on it.

Senator CARLSON. As I understand, what you want is a correlated program, all three of them working together, and I don't know whether this language, the competition can do it or not.

Senator AIKEN. I don't know. Maybe the first one would do it.

Senator MANSFIELD. Well, Albert seemed to think the words "direct competition" were a little too strong. Maybe it could be misunderstood, and on that basis it would seem we proposed this new language, and if it meets with the approval of the committee, I would be glad to accept the change.

Senator AIKEN. What you mean is how this $1.6 billion they ask for could be used for the best advantage.

Senator MANSFIELD. Right. They would have to make the choice.

My personal preference is the first one.

Senator CHURCH. Do you think the second one, Mike, would accomplish the objective you have in mind? Is it clear enough to make certain?

Senator **Mansfield**. It isn't clear enough. It just meets Albert's objection, not a hard one, I don't believe, to the use of the word "direct"; but so far as I am concerned I would prefer the original language.

Senator **Morse**. I don't think your second one is very clear.

Senator **Aiken**. I wouldn't say the second one is clearer than the first.

Senator **Mansfield**. I withdraw this, then, and if it is in order, Mr. Chairman, I move that the amendment be adopted.

The **Chairman**. The one on page 11?

Senator **Mansfield**. Yes, sir.

The **Chairman**. Do you wish to have a vote on it now, subject to——

Senator **Mansfield**. I would just as soon, so we can go on.

Senator **Morse**. Is it your desire that it should be held in abeyance until we also look over this whole program in light of yours on the bottom of page 9?

FORCE A COMPETITION WITHIN THE DEPARTMENT

The **Chairman**. I thought in view of the fact that we have eight members present, that whatever we did would be tentative.

I am willing to put the motion and vote for it.

Senator **Mansfield**. You could put it on both.

Senator **Morse**. Is it your view, Mr. Chairman, that these two are sufficiently interrelated that we ought to postpone action on it?

The **Chairman**. Well, I thought the attitude of the Department, which in effect incorporates both of them, ought to at least be voted on by the committee up or down.

Senator **Mansfield**. Bill, I think that you mentioned that the Draper recommendation which had been sent down by the Department favored one or the other. It doesn't refer to this one at all, really; it refers to the one we have already adopted on page 77, and your amendment about eventual transfer to the Department of Defense. This one is out of those recommendations so there is no approval of both on their part, because they are both quite opposite and in the form of alternatives.

The **Chairman**. That is one interpretation, but I think one interpretation of the amendment on page 9 could involve within it the idea of competition which you expressed in yours. They are not mutually exclusive. If they put it in the Defense Department I think you achieve what you describe.

That is, you force a competition within the Department for what you do with the money. I can see that is involved in it.

You make explicit what is actually achieved by the one on page 9, I think.

Senator **Mansfield**. Except I think this is not an open-end proposal.

The **Chairman**. This is an additional feature.

Senator **Mansfield**. This has to come back every year; the committee retains control.

The **Chairman**. That is right.

Senator **Mansfield**. But it doesn't make any difference to me.

BUDGET AND AUTHORIZATION

Senator **Lausche**. There is a further difference. Yours deals with the budget, and Senator Fulbright's deals with the authorization.

Senator **MANSFIELD**. The Appropriations Committee taking over.

The **CHAIRMAN**. Of course, in the Budget it still has to go over. The Budget still has to handle it.

Senator **MANSFIELD**. But you would have one committee instead of two.

Senator **LAUSCHE**. But they are compatible. Yours authorizes without terminal whatever sums are needed.

The **CHAIRMAN**. That is right.

Senator **LAUSCHE**. And he states that in preparing the budget they shall be included in the same consideration——

The **CHAIRMAN**. When you say "without terminal," it is exactly as it is now done. All of these in the Department of Defense are appropriated, so far as I know, until expended. There is no termination. They don't appropriate just to be expended this year and what is not expended reverts to the Treasury. This would be exactly the same as it is now in the Department.

Mr. **MARCY**. I don't think the question is appropriated until expended. The question is can the President decide whether to come up and ask the Appropriations Committee for $35 or $40 or $45 billion.

The Fulbright amendment would in effect say that you included in that $40 billion, or $42 billion, the amount which will be part of the military assistance program. Just as now, for example, you include in the Defense Department budget money for certain overseas bases or for pay of American soldiers who are serving in foreign countries. This would say in effect, "If you want to put jet aircraft into Pakistan or Ethiopia, you include that as part of the $40 billion you ask for."

Senator **CHURCH**. Yes, the effect of the Fulbright amendment is that this committee authorizes such money as the President may request in the Appropriations Committee for the purposes of military assistance and relinquishes further control. The matter then goes to the Appropriations Committee and the Appropriations Committee decides how big the program should be and how much money should be spent.

That is what the Fulbright amendment says.

Senator **CARLSON**. On this Mansfield amendment I wonder if it would help if where it says "come into direct competition for financial assistance," it said, "an increased assurance of the conformity," I mean "of the military assistance program to foreign policy and to related assistance programs."

They use the words "to conform," "so as to conform with financial support for other activities."

I am just throwing it out as a suggestion, because I think that is what you want to do; you want them to be correlated so they work together.

Senator **MANSFIELD**. Frank, it is a good suggestion, but I would rather be a little more direct so that there would not be much question as to what the intent of the committee and Congress will be, if it is adopted.

Senator **MORSE**. Senator, may I take a moment for comment?

I think this very discussion shows the desirability of our getting the benefit of the assistance of the staff between now and next week on the effect of both the Mansfield amendment on page 11 and the Fulbright amendment on page 9.

AN IMPORTANT QUESTION OF POLICY

The statement which Senator from Idaho, Mr. Church, just made, and the previous statement of Senator Aiken, gentlemen, raises an important question of policy that disturbs a lot of us; and we ought to try to resolve any differences that exist among us, if we can.

A problem that has concerned me in connection with other legislative matters for some time is the growing tendency in the Senate for legislative committees to shift more and more matters of decision to the Appropriations Committee, so that the Appropriations Committee, is in effect, really becoming the great policymaking committee in the Senate. I think that is a mistaken course of action.

I think we ought to limit the Appropriations Committee to deciding what money should be appropriated to carry out the specific policy authorizations of legislative committees. I have been running into this too frequently in the last few years in debate in the Senate, and the Appropriations Committee comes back and says, "But after all, you put this on the statute books. You have given this authority to the Appropriations Committee."

I think we should stop giving it to the Appropriations Committee, because if we don't stop it, in the course of time these legislative committees are going to have delegated away most of the check they have.

Senator AIKEN. Will the Senator yield?

Senator MORSE. Yes.

Senator AIKEN. I think the experience of the last 2 years indicates that if the foreign policy programs slip out through the hands of the Foreign Relations Committee into the Appropriations Committee, our foreign aid programs, our mutual security programs are really going to see adverse times ahead——

Senator MORSE. I think so.

Senator AIKEN [continuing]. Because if it were not for the recommendations of this committee as to amounts to be appropriated, I am sure the appropriations for mutual security would have been much smaller than they have been in the last 2 or 3 years.

It is possible that this committee sees one side of the picture too much. It may be a good thing that we have the balance of the Appropriations Committee, but I wouldn't want to see the policy and a determination for the programs fall into the hands of a committee which has shown a tendency to reduce appropriations in some cases below what would be necessary for a workable program.

Senator MORSE. I think there are two sides of the coin, George, but I am through with this observation. However, we have to be on guard that we do not let slip from this committee the power of surveillance over both the Defense Department and the State Department for what they actually spend the money within the broad outlines that we authorize.

BROAD POWER OF EXPENDITURE

Senator Fulbright points out that past practice in the Pentagon has been to have this broad power of expenditure. I raised the question as to whether or not we have had enough experience to face up to the realization that we ought to be changing, the fact that they have been doing it; there is not much of an argument. I am thinking of continuing to give them the authority. I am not so sure that we should even restrict them more than we have in the past. But certainly I think we are going to greatly increase the authority of the Appropriations Committee and decrease the authority of the Foreign Relations Committee, which would be all wrong in my analysis; that is why I think we need some time to study it between now and next week.

The CHAIRMAN. I wonder if we could go on to something else. This first movement to go through and acquaint us with what the problems are, we can't even go through——

Senator MANSFIELD. Mr. Chairman, may I raise a question first? I am perfectly willing to let it go, but I would request that it not be brought up Monday, because we meet on the State Department appropriations bill, morning and afternoon that day, and I would like to be here when this is discussed.

Senator AIKEN. Meet Tuesday morning.

Senator MANSFIELD. If we meet Tuesday, it is up to the chairman.

The CHAIRMAN. Yes, we will meet every day from now on.

Senator AIKEN. I thought you suggested we do not meet Monday.

Senator MANSFIELD. We have State Appropriations Committee meeting, and the chairman and Senator Hickenlooper and I are on it. I am sure we would all like to be there, and we will meet Monday morning and Monday afternoon.

Senator AIKEN. I will be away Monday, but I hope when I get back Tuesday morning quite a lot of constructive progress will have been made.

The CHAIRMAN. We will meet Tuesday morning, then, on this matter and any other. We will have our regular meeting day, routine matters.

Senator MANSFIELD. Monday or any other day, but I only want to protect myself because these Appropriations Committee——

The CHAIRMAN. Nobody will take action on this matter without your being here.

Senator HICKENLOOPER. I wish meanwhile, Mike, you could find some word other than "competition."

The CHAIRMAN. Ask the staff to give further thought to whether they have any ideas about reconciling the views expressed here.

We have pretty well exhausted the views. I wonder if we can move on and see if we can't make some progress on eliciting what are the problems in some of these further sections.

Go ahead, Mr. Marcy.

Mr. MARCY. We put off for discussion the various Latin American amendments the other day, especially those relating to amounts for military assistance.

However, there are two you might want to look at now. One is on page 15, in the middle of the page, in the right-hand column, and that raises a different question.

AID TO DICTATORSHIPS

There is the Morse amendment, stating that "there shall be no military assistance to the Dominican Republic and Paraguay."

The executive branch position to the left there indicates that they strongly oppose naming specific countries.

Senator AIKEN. Are we furnishing any military assistance to Paraguay?

Mr. HOLT. No.

Senator AIKEN. For the Dominican Republic, it is negligible.

Mr. HOLT. It is $400,000 or $500,000.

Senator MORSE. Mr. Chairman, I think there is a great deal of merit in the statement of the executive branch. I have offered this amendment because I think we ought to focus attention on what I am satisfied was a very mistaken course of American action in Latin America in giving military aid to these dictatorships. They are two little countries that I think are purely Fascist. I would be opposed to giving them anything if they were Communists and I am opposed to giving them anything if they are Fascist, but I think we can adopt a policy without naming them.

Senator AIKEN. The weakness of your amendment, which is aimed at the dictatorships, is in the fact that we know today that at least one of them is a complete dictatorship, and I expect the other one, Paraguay, is. I don't know anything about it; we don't know who might join them 6 months from now.

Senator MORSE. That is right.

Senator AIKEN. We don't know when there might be a revolution in one of these countries, a successful one that would overthrow the dictator because things happen so fast.

Senator MORSE. I am not going to press for the amendment; I only want to say I offered it, Mr. Chairman, merely to focus the attention of this committee on what we are doing by way of military aid in Latin America.

The CHAIRMAN. Do you wish to withdraw it and suggest that a statement be made in the report indicating our concern, or something of that kind?

Senator MORSE. Just a minute; I will withdraw it if you will permit me a minute.

Senator LAUSCHE. But, Senator, if you apply it to the Dominican Republic and Paraguay because they are dictatorships, don't we have to go further and apply it to other dictatorships and Communists?

Senator MORSE. That is what I was going to say. I offer this only for discussion. I am going to withdraw it, but I am using it as a springboard for some discussion.

I am very much in favor of the approach that Senator Church and I are trying to make to this matter of so much money going by way of military assistance to Latin America because I think it is bad policy. It is causing us a lot of harm and does not strengthen our defenses.

I am going to withdraw it, but I am going to urge both here and on the floor of the Senate that we decrease the military assistance to Latin America.

Senator CARLSON. Mr. Chairman, I am going to have to leave in a few minutes, and I am sure you are not going to complete action on that point.

I have never been in South America, so I certainly don't know anything about it, but in instances like happened in Ecuador yesterday,[1] are we going to say that we have no interest in the government there?

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[1] More than 20 people were killed in rioting in Ecuador, both between army officers and conscripts, and student demonstrators and police. President Camilo Enriquez blamed the disturbance on Communists, and established martial law.

I just want to know what we should do. It seems to me we ought to try to stabilize those governments and if it takes military aid we ought to try to do it. Maybe I am wrong.

MILITARY AID IS A GREAT MISTAKE

Senator **Morse**. Gentlemen, I wish we could have the really honest off-the-record opinion of the representatives of the South American countries who are here in Washington, because this is what disturbs me.

Frank Church and I were at a dinner last night given by one of the Latin American Embassies, and two representatives of Latin American countries got me off in a corner and said, "You are just so absolutely right on your position on military aid to Latin America. You are making a great mistake—we can't say so publicly—but you are making a great mistake with this military aid. You are causing us lots of trouble."

That isn't the first time a Latin American Ambassador or a representative of an Embassy has said that to me. I think we should make clear, as I try to do in one of my amendments and Frank does in his approach, that "We are not going to give you less money, but we are going to channel that money into economic projects and not into military aid," and we will make great friends.

One Ambassador last night was telling us about what we are doing now in Uruguay by sending down one of these military bridges in a ship that left New York Harbor the other day, to replace a bridge on the main highway in Uruguay, to get supplies in and out of their capital, and he said, "You just don't know what great effect that—it didn't cost much money but what great effect that assistance and that bridge is going to have in my country in strengthening relations." And I am just as convinced as I can be that that is the type of approach to be making instead of sending them down military supplies that they will tell you get into the hands of various forces in order to be used against their own people.

I am going to withdraw this amendment, Mr. Chairman, and press for action later either on the Church amendment or mine, or modification of them.

The **Chairman**. All right, Mr. Marcy, what is next?

Mr. **Marcy**. The next amendment is on page 17. I am skipping the ones we have touched on before, in the middle of that page. The Church amendment does not relate to the amount of money for military assistance, but it does contain language the key sentence of which is the last sentence, stating that, "Internal security requirements shall not be the basis for military assistance programs to American Republics."

The executive branch comment is across the page to the left.

Senator **Kennedy**. Mr. Chairman, it has nothing to do with this amendment, but I have heard discussions about the sugar allotment in regard to Cuba, and there is a subsidy contained in the sugar allotment. It seems to me this committee would have some interest as to what is done in regard to the amount of sugar we purchase in Cuba if the proposed cut in the amount is due to policies of the Cuban Government and not to natural reasons.

I wonder if it would be possible for the staff to give us some idea of what we are buying in the way of sugar, what the subsidy is to the

Cuban Government, whether there is any plan around in the government to cause any cut in the Cuban allowance.

The **Chairman**, Can you initiate an inquiry about that?

Mr. **Marcy**. Yes; I think that act normally comes before the Agriculture Committee.

Senator **Carlson**. Finance.

Mr. **Marcy**. We will get together a memorandum on it.

Senator **Kennedy**. I wish you would ask what the subsidy is.

The **Chairman**. I think it is what we pay versus the world price.

Senator **Kennedy**. Right. I would like to find out what that amount is, the subsidy.

Senator **Church**. Mr. Chairman, if it is appropriate for me at this time to make a short explanation of what the objective of this amendment is, I would like to do so.

The **Chairman**. Yes, indeed.

THE CHURCH AMENDMENT

Senator **Church**. The objective of this amendment is to make it very clear in the law as to the purpose meant to be served by any kind of military assistance in Latin America.

There has been comment here that we have an interest in the maintenance of a given government or in stabilizing different governments that we approve of.

I trust in this. In one sense, it has always been traditional and historic policy of this Government to believe in the self-determination of peoples. It has never historically been the role of the United States to determine what kind of governments ought to exist in other countries or to use our funds to support military forces to maintain governments of which we approve.

In Cuba we furnished funds and supplied equipment for Batista's troops, and he lost out with 40,000 troops to a handful of guerrillas, simply because the people rose up in grassroots fashion and destroyed him. His troops were no good to him because his government was no good, and when it came to a final test, there just wasn't sufficient resolution in that army of 40,000 men to successfully withstand the guerrillas.

I was in China, and I saw hundreds of millions of dollars in military assistance given to Chiang Kai-shek. I saw 30 divisions equipped, some to American TO&E standards. At the end of the war I saw the arms and equipment of a million Japanese troops given over to Chiang Kai-shek, mountains of ammunition and equipment, two whole American air forces, $2 billion worth of excess supplies in the Southwest Pacific, and yet what good did it do when it came to the contest? It took the Communists with handmade equipment, to a large extent, with no heavy artillery and no air force, and vastly outnumbered, just as long to defeat Chiang as it took them to meet China.

Senator **Aiken**. You are making a great argument for private industry, Frank, because the arms furnished to Castro through private industry were more potent and effective than the arms furnished to Batista through government.

Senator **Church**. Yes, I am just saying——

Senator **Aiken**. I take it your amendment would turn the furnishing of arms back to private industry and away from government.

Senator CHURCH. The point I am trying to make is when governments get so rotten——

Senator AIKEN. Even though it is illegal.

Senator CHURCH [continuing]. Get so rotten that the people have a right to overthrow them, then the military assistance given to them is likely to prove ineffective anyhow.

If these governments maintain large military establishments, that is their business. If these large military establishments they maintain are insufficient to protect them against their own people, what business is it of the United States to furnish them weapons and arms?

If we had any right in giving military assistance, it seems to me it is a right to serve two purposes: One, to assist in a common defense of the hemisphere, we have a legitimate interest in that, and equipment we give them that is directly related to that purpose. I can see some justification for it, if there is sufficient military reason to justify it, and if it is counterbalanced for political reasons. That would be legitimate reason for military assistance.

AN OAS MILITARY FORCE

There is one other reason not covered by this amendment, and not covered in the conversations around this table, and that is a possibility. A second legitimate reason for giving military assistance would be for some kind of force under the jurisdiction of the American states that would have as its purpose the protection of Central and South American governments from aggression from without, that might be mobilized in Cuba and sent down to Panama or Nicaragua or something of that kind. So they could be secure from aggression without; a military force under the jurisdiction of the Organization of American States might serve that purpose, and it might be legitimate for us to contribute to it and it might be in our interest.

Senator GORE. Those are my suggestions.

Senator CHURCH. Yes, those are the suggestions of the Senator from Tennessee.

But apart from that and apart from assistance for the purpose of their contribution to the common defense of the hemisphere, we haven't any business establishing a military assistance program to furnish arms to governments for purposes of internal security against people of the countries. It just runs in the face of the historic mission of the United States and all it has stood for. So the purpose of this amendment is merely to clarify that military assistance may be furnished to other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere, which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not be the basis for military assistance programs for the American Republics.

The administration approves of the former part of the amendment, and disapproves of the last sentence which is in the law now except for one word. The law now reads, "Internal security requirements shall not normally be the basis for military assistance programs for American Republics."

I have stricken the word "normally." I think it is defensible to strike that one word "normally" for this reason:

CONTINGENCY FUNDS

If there is some very serious emergency of such a nature that so closely involves the interests of this country as to justify the President in sending arms for special purposes, he has the money to do it under the contingency fund which I understand is a $200 million fund. Under such circumstances he could reach in and say, "Notwithstanding the other provisions of the act, I find this situation of such alarming proportions to the United States I am going to use this fund for these purposes."

But for the regular and established military assistance program recognized and approved under the law I cannot see that internal security requirements ought ever to be the basis for public money and for America's furnishing arms and equipment.

That is why I think this is sound. It relates to programs of hemispheric defense, and I would like to amend the amendment to also include the suggestion made by the Senator from Tennessee that there is another legitimate objective, which would be to assist in any common program under the Organization of American States for a force in being to protect each republic from outside aggression.

Senator MORSE. Mr. Chairman, I want to endorse everything the Senator from Idaho said, and to endorse the suggestion the Senator from Tennessee made, that we add to it the provision for funds which could be made available for a joint OAS police force to protect a country from external invasion.

It so happens that OAS is considering this problem. That has also been reported to me by various members of the organization. But I will speak to Frank Carlson about it and tell him exactly what I told the committee. I am perfectly willing to take up the Ecuadorean question raised by the Senator from Kansas. We have no business intervening in Ecuador if what our reports say are correct. It is an internal uprising; it is dissatisfaction with their government. If they are dissatisfied with their government and want to change it, it is their inalienable right to do so without interference from Uncle Sam.

ANTI-AMERICAN ATTITUDES IN LATIN AMERICA

My third and final point is that it is not the only reason but one of the major reasons for anti-American feeling in many parts of Latin America among the people—and we are going to continue to get spit on as long as we do it, in my judgment—is American military aid to their governments. I am convinced that there are millions of people in Latin America who resent it. They are going to continue to resent it because they consider it an attempt by the colossus of the North to keep imposed upon them regimes they want to overthrow and get rid of. It thwarts the growth of democratic rights in Latin America, and they consider us to be intervening through military aid that we give to their governments.

Even though they have a government that they may be friendly to, they still don't like the idea. I think we ought to considerably reduce this military appropriation, and we ought to take this statement of policy that Frank Church has proposed.

The CHAIRMAN. For the information of the committee, I have just received a note that Mr. Parsons has been confirmed by the full Senate.

Senator Aiken?

Senator AIKEN. Mr. Chairman, I want to go to the floor. If the Senator from Idaho makes his motion, I would like to be recorded in favor of it, if there is a record vote.

Senator LAUSCHE. Is there such limitation on the granting of military aid in other areas of the world except in this proposal applicable to South America? If there isn't, how do you differentiate?

Senator CHURCH. In connection with that, I do think that there is a basis for differentiating. From the time of Monroe we have differentiated where South America was concerned. Then there was no military assistance program to protect the common hemispheric defense, but we were still a struggling Republic.

We say we won't permit intervention in South America and we will undertake to protect against it, so we have differentiated against it all through our history. And I think there is a basis for differentiating because the Russians aren't about to land in Brazil, but the Russians or the Chinese Communists may be about to land in Formosa. The nature of the threat is different.

The CHAIRMAN. What would you say about the nature of the Guatemala case, Frank? How would it affect the Guatemala situation if Communists take over domestically?

A POLICY OF NON-INTERFERENCE

Senator CHURCH. I would say that if the people of Guatemala establish a Communist government, regrettable as that would be, it would be their mistake and they would have to suffer with it. It wouldn't be our right to intervene and to remove that government and install or impose a government of our choice.

If that Guatemala Government attempted in any way to invade or to jeopardize the political or territorial integrity of any other country in South America, then the very proposal made by the Senator from Tennessee ought to operate.

In other words, the Organization of American States ought to have a force in being that could intervene to protect the territorial integrity of neighboring countries.

The CHAIRMAN. I want it clarified. If the people do this, do you feel that these countries are sufficiently mature politically to make these decisions? Do you think in Czechoslovakia the people accepted the Communist regime? They accepted it, didn't they? Do you approve of that?

Senator CHURCH. Of course I don't, and I don't approve of it, Bill. And I wouldn't approve of the Communist regime anywhere in Central America. I am saying only that we can't rewrite the political conditions in all these countries, and we can't intervene as the policeman and sheriff to determine what kind of a government is going to be established, and supervise or control its establishment or its functioning.

The CHAIRMAN. If in Cuba, to be more specific, there is this considerable concern—I don't know how justified it is—that the brother of Castro is a Communist and might take over and establish a Communist government, do you think we should not do anything about that?

Senator CHURCH. What do you mean by do about it? I think that in our trade policies, it would be a great mistake to furnish military assistance to such a government. We might be justified in dealing with such a government quite different than we would deal with a friendly government. There are all kinds of things we can properly do about a government that would be hostile to the United States or a Communist government in the Americas.

But one of the things that I think is very improper to do is to use American money to furnish arms and equipment to governments in Central or South America for the purpose of use against their own people, because that fundamentally conflicts with the doctrine of the right of self-determination.

If we are going to abandon that doctrine and say that some countries are not sufficiently advanced to exercise the right of self-determination, and thus undertake to use American money and American equipment to affect their choice for them, then certainly we have departed from what has historically been the role of this country.

The CHAIRMAN. I agree. We have great difficulty. We are giving support to the Government of Sudan. They abolished their democratic government largely because they thought it wasn't functioning. I think they probably are correct. I had a long talk with our Ambassador there, and he says they are not capable of running, operating a democratic system.

SUPPORT FOR MILITARY GOVERNMENTS

Do you think on that account we should not have anything to do with supporting the established government which is now a military government?

Senator CHURCH. No.

The CHAIRMAN. This gets me into a lot of conflicts about what we do about this.

Senator CHURCH. Mr. Chairman, in my view, we have to recognize that the alliances we have established and the system we are maintaining in the world is not a holy alliance in the sense that the old Austrian-Hungarian effort was a holy alliance; in the sense that Alexander II attempted to establish a holy alliance in Europe with Russia taking the lead; in the sense that the present Communist bloc does. In fact, to historically and authentically constitute a holy alliance it is not only a power bloc, but an ideological bloc of Communist states.

Ours is not that. We talk about the free world, but show me a country that is free aside from Europe, Japan, India, Israel, and a few others.

Now, our alliance is an alliance of governments that are attempting to prevent further Communist encroachment and also to preserve the right of self-determination.

We support Franco. Is Spain a free government?

Senator LAUSCHE. May I interrupt at this time?

Would you apply to Franco what you suggest we apply to South America? Should we quit giving aid to Franco because we are not satisfied with him?

Senator CHURCH. I would say that is as far from the South American situation as the Atlantic is broad. We are in Spain for reasons quite different from our military assistance.

Senator KENNEDY. You are not proposing to cut assistance to any South American country. We are not giving assistance to Franco for internal security, but only to prevent aggression. You could continue to give aid to a Fascist government if the aid——

Senator CHURCH. That is what I am trying to say, Jack. If you look at the law today, there are certain conditions imposed on the military assistance to different parts of the world, and those conditions vary, because the nature of the Communist threat varies in different parts of the world.

Special conditions now exist in the law with respect to South America, and those conditions say military assistance should not be given to South America where normally the purpose is for internal security; and there are other provisions that relate directly to South America.

This amendment merely tightens this thing up. It says that military assistance when given in South America, where we are not faced with an imminent Communist threat, where we don't have vital bases of the same consequence to us as bases in Spain or in Saudi Arabia, shall be given only in the furtherance of missions directly relating to the common defense of the Western Hemisphere. That would be one purpose.

The second purpose that I would like to add to my amendment would be the purpose suggested by the Senator from Tennessee, which might prod the administration into establishing some kind of force in being through the OAS to protect the states.

EMERGENCY PROVISIONS REGARDING INTERNAL SECURITY

Senator KENNEDY. May I ask one question?

If the Betancourt government stated there might be a threatened Communist uprising in Venezuela, and they asked us for military assistance in order to strengthen their forces, under your amendment could the administration make a judgment that the continuance of the Betancourt government in Venezuela involves the security of the Western Hemisphere, or not?

Senator CHURCH. If it was an internal uprising against Betancourt's government, then this amendment would prevent our use of American arms and equipment under the regular military assistance program for purposes of internal security for the Betancourt regime.

But I point out that if this were a crisis of such moment as really to affect the internal security of the United States, the President still would retain the authority under the law, under the emergency provisions and under the $200 million he has available to him to move under that provision of the law, but it wouldn't be an established or normal standard applicable for our regular military assistance program.

Senator KENNEDY. I would think you could give that first sentence, unless your last sentence is a denial of it. You might give that first condition; he could make a finding that it related to the common defense, because the revolt against Betancourt might be——

Senator CHURCH. I think the last sentence in context would prevent it, and you see it is the last sentence that the administration objects to.

The CHAIRMAN. Apply that same thinking. Venezuela is one case in which they have a good deal of money of their own. Take the case of Frondizi. From what little I know about it, he is the most hopeful thing that has occurred there; yet he is threatened with the hangover of the Peron crowd and has a difficult internal situation and no money.

Would you still apply that, or do we not have an interest? I am just assuming he is a good fellow; we don't really know too much about it, but everything we have had indicates that Frondizi is a hopeful man compared to what they had.

Would we just let him go down the drain in an attack led by Peron's followers, without any assistance?

Senator CHURCH. First of all, Bill, when I was in Argentina I was impressed by the very large military establishment they maintained. If we put our whole military assistance program in Argentina, it wouldn't begin to cover the annual expenditure that they make on their military establishment.

If there is in Argentina a revolt of such dimension as to topple the Argentinian Government, but resting with this large military establishment, no military assistance of ours is going to change the result.

As a matter of fact, the only effective change of government in Argentina that has occurred in 30 years has been a revolt sponsored and directed by the military.

So I think it is a misconception to think of our military assistance program as having any great effect upon the maintenance of governments within these South American countries.

UNFORESEEN CONDITIONS

The CHAIRMAN. Generally speaking, I agree with you. The only thing that bothers me about it is that there may arise conditions that I don't foresee and are hard for legislation to deal with.

On principle, I think your arguments have a great deal of merit. But I am a little bothered about how to apply general legislative principles to many different states within which all kinds of different things arise.

The Guatemala situation was one in which apparently, if we had not intervened—we did sub rosa, it is true—that Communist regime would have become well established and we don't know what it would have led to. I am rather glad they got rid of it the way they did. But it was done administratively within the government, and if we had had a blanket restriction applying to everybody, I don't know whether it would have prevented that or not.

Senator CHURCH. That is one of the reasons for this contingency fund in this Act. I would not prevent the President from doing that, and I don't think this amendment would have the effect of preventing it.

The CHAIRMAN. I wonder whether it would or not.

Senator CHURCH. There is an escape clause. Under certain emergencies the President would still be able to act when he felt the vital interests of the United States are involved. But as a matter of regular and established program authorized by a law of this dimension, I think certain principles should generally govern.

The CHAIRMAN. There is one other comment I wish you would address yourself to, and it has been made several times. In these underdeveloped, relatively primitive countries, the only organized, disciplined group of people are the military, such as they are; there aren't any political parties, there is no political maturity. Illiteracy is, as you know, in many cases as high as 80 or 90 percent.

Senator CHURCH. Yes.

The CHAIRMAN. And the only group you can work with to bring about any kind of stability as opposed to chaos is the military, and they look upon it largely as a training program. This is their argument.

What do you say to that?

Senator CHURCH. First of all, of course, we have to deal with what we find in these countries. If they maintain large military establishments, that is their business, and if that is the only stable element in the country, and if it dominates the government, we will deal with them.

But it is a world apart from doing that to say that therefore we ought to supply American funds and equipment to that government for maintaining its purpose internally.

First of all, I don't think it is necessary; and second, if the government is so corrupt that the people can overthrow it with all of its military advantage, then our military assistance is largely wasted, as it was in Cuba.

The CHAIRMAN. It isn't quite that argument about overthrowing. Here are the people who are the stable, organized influence. I think you just mentioned in Argentina it was the military that really overthrew the other regime.

Senator CHURCH. Yes.

The CHAIRMAN. Presenting the argument that the administration makes, as I understand it, these are the only people who are organized in an orderly way and have any discipline at all; and if you expect to do business with them, be friendly with them and cooperate with them, you have to do some of the things they want—supplying them with training, bringing them up here, sending them to schools, and so on, and at least certain minimum amounts of equipment. Otherwise, they just think you are unfriendly and they will look elsewhere for their friends.

It is a political motive here rather than military. They won't profess they need this for actually keeping in power, but in order to do business with them, you are friendly with them.

What is the answer to that?

Senator CHURCH. Mr. Chairman, this is the answer I would give. I am sorry I misconceived your question.

Senator LAUSCHE. I have to leave, and if you are going to vote——

COMMITTEE HAS TO BEGIN TO ACT

The CHAIRMAN. We are not going to vote. I am perfectly willing to pursue these talks because it clarifies the air, but at some point the committee has to begin to act. We ought to make that beginning some time next week. Monday we have a conference, so we can't meet. Tuesday we will meet, and the Ambassador of Sudan is available. I wonder whether or not they think it is worthwhile to have him here. He is an oldtime professional who has been in the service many years and is an expert in the Middle East, not only Sudan. He has been our Ambassador in Syria; he has been the Inspector General for the area, he speaks Arabic, and so on. I wonder whether or not the committee wants him to come.

Senator MORSE. I think so.

The CHAIRMAN. The trouble is the time. I have already had a very long session with him, but I think he is an interesting fellow.

Senator MORSE. I think we should hear him.

The CHAIRMAN. Will the staff see if they can get hold of him? He will be available next week. The trouble is the time; when are we going to hear him? I am willing any time. But I don't want to ask this fellow here and have two or three people come, me being one of them, because I have already heard him. I am willing to come, but the only point in having him is if the members will come.

Senator MORSE. We find, Mr. Chairman, on our subcommittee on Latin America, that 4:30 is a good time. You can't get a full committee, but a good many members.

The CHAIRMAN. Will you have the staff check to see if all the members are available? If you ask him to come and nobody comes——

Mr. MARCY. It is awfully hard to check your offices to be sure, especially in an afternoon, but if we put it on for 4 or 4:30 p.m., we will normally have six or seven members present without any difficulty.

The CHAIRMAN. If we have six or seven members it is worthwhile. You try to work it out. He is available; he is in the State Department.

Just as a necessity, by Wednesday or Thursday we will have to have some sort of rule to adopt these things. Otherwise we will run on. The House is expected to pass the bill next week.

Mr. MARCY. Yes, sir.

The CHAIRMAN. We ought to begin clearing away these preliminary matters by votes, and then taking up the majority matter on amounts, certainly the beginning of the following week and dispose of it, should we not?

Mr. MARCY. We should, yes. Maybe even by next weekend we can get through with the whole thing. That would be a little optimistic.

The CHAIRMAN. I think if the committee is agreeable we ought to send out notices that we will begin Tuesday or Wednesday to take votes on it and to really begin to dispose of these various issues.

Is that agreeable?

Senator MORSE. Yes.

The CHAIRMAN. Do you think that is too soon?

Mr. MARCY. I wonder if I could suggest that maybe we just leave Tuesday again for the same markup statement, and then indicate that beginning Wednesday morning and Thursday morning, the committee expects to take its final votes on the markup.

The CHAIRMAN. And meet all day. I am sure we will, Monday morning and afternoon.

Mr. MARCY. Wednesday and Thursday morning and afternoon.

Senator GORE. Mr. Chairman, I would like to inject a thought.

The suggestions Senator Morse, Senator Church, and I and others have made indicate that in the minds of a substantial number of the committee members military assistance within the Western Hemisphere is a problem apart, a problem in the minds of a considerable number, a problem that requires special treatment.

Again the question of time arises, but it might be quite fruitful if the committee could examine this as a question with some testimony.

I have offered an amendment in the committee, not that I expect that it will be adopted, but because I think it is basically right. When do we stop military assistance? When do we stop promoting the armaments race which we are now promoting in South America?

I think the best time to stop is the quickest time to stop, so I shall offer the amendment on the floor of the Senate, again, not because I expect it to be adopted, but because I think it is basically right.

I would much prefer the committee examine the question here in hearings, but, there again, when do we do it?

I wish only to offer that thought to you.

The CHAIRMAN. You were about to answer that last query.

Senator CHURCH. Yes, I was about to answer that query you put to me.

HOUSE SUBCOMMITTEE REPORT

I have studied with a great deal of interest the report that has been made by the Subcommittee on Inter-American Affairs of the other body. They took up this whole question very thoroughly, and they make some very interesting recommendations. It is very brief. Let me just read a few sentences:

> As previously discussed, the use by a regime of U.S. supplied armaments in civil strife has garnered us the wrath of people not only in the country affected, but throughout Latin America, who tend to equate our armaments with the regime using them.
>
> We therefore feel that the long-run interests of the United States in Latin America will be better served by an orderly and gradual reduction of military armament grants with the ultimate goal of termination of the program, and the Subcommittee so recommends.
>
> At the same time we realize that countries will desire and require armaments for hemisphere defense objectives. The Subcommittee therefore rcommends that armaments for this purpose be on a purchase rather than on a grant basis.
>
> Military Training.
>
> The Subcommittee finds that grant funds which have been spent by the United States to assist the Latin American nations in the training of their military personnel in the United States and in the Panama Canal Zone have been well spent. We therefore recommend a continuation of this program.

I would say, Mr. Chairman, that——

The CHAIRMAN. Wait a minute, now; for training?

Senator CHURCH. That is the training of personnel in the United States and in the Panama Canal.

The CHAIRMAN. They recommend the continuation of that?

Senator CHURCH. Of that, but the ending of the military assistance program which involves the use of American money to furnish hardware to these Latin American countries.

TRAINING PROGRAMS

Now, under my amendment there would be nothing that would cause the military training program to be suspended, because that certainly is military assistance furnished in furtherance of missions directly relating to the common defense of the Western Hemisphere; common strategy, and a common method of training under American personnel and supervision is certainly such an issue.

So my amendment would not affect that. It would merely require that the assistance given be in furtherance of missions directly relating to the hemispheric defense.

I think we can get all of these governments, Mr. Chairman, even if they want to have them. Some of these governments would like to have a fleet of airplanes and a bunch of tanks to parade on Independence Day. I think we can get along with them fine by saying the Congress prohibits this to be done, but we stand ready to give all kinds of economic assistance and technical assistance that can help these countries, and we will be better off doing it, not worse.

Senator MORSE. That is the point I want to stress. If we reduce the military hardware and increase the economic support, and then they want it in connection with their governmental processes to spend some of their own money for hardware, that is their business.

Senator CHURCH. That is their business, and they are the ones who ultimately take the blame.

The CHAIRMAN. I wonder if you can refine your amendment. Maybe it is clear, but I am not sure it is without your explanation, to exempt or to make it clear that these training programs are not prohibited.

Actually, as I recall it, when I asked some of the witnesses about this matter, they said well, of course, we think this was the most important part of that, the training program.

Senator MORSE. We could put it at least in the committee report.

Senator CHURCH. Moneywise, it is a very small part of the program they recommend.

The CHAIRMAN. In private conversation—I know, I have talked with people—they say we think the most important part is the training. It is the personal relations with them as individuals, bringing them up here, getting them there, and so on.

Do you think there is any way you might consider that in any case as an amendment to it?

Senator CHURCH. I will be glad to look at it with that in mind.

SOME REASONABLE DISCRETION

The CHAIRMAN. Just speaking for myself, I think the objective you have in mind is a correct one. I have always been bothered by generalization in legislation which would seem to inhibit any action in some of these extreme cases, that is, this old conflict when a statement of principles as a legislative matter and some reasonable discretion as an executive matter. If you go too far you prohibit it.

It may be made clear that such things as training are not prohibited, and what we are getting at is military hardware on a large scale.

Senator CHURCH. I will be glad to try to do that, Mr. Chairman.

The CHAIRMAN. Well, I see we are all drifting away. We will adjourn then until Tuesday. Monday, unfortunately, we have a conference. I wonder if the committee could meet anyway. Can Senator Green be here and thrash out some of these?

Mr. MARCY. Senator, he has been gone all this week.

The CHAIRMAN. I thought he might be back. There are three of us who can't be here—Bourke, Mansfield, and I.

Do you reckon we can make any headway?

Mr. MARCY. I don't think so.

The CHAIRMAN. We will adjourn until Tuesday.

[Whereupon, at 12:35 p.m., the committee adjourned, to reconvene on Tuesday, June 9, 1959.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

TUESDAY, JUNE 9, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to adjournment, at 10:10 a.m., in room F-53, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Humphrey, Mansfield, Morse, Kennedy, Lausche, Church, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Newhouse, of the committee staff.

The **Chairman**. The committee will come to order.

MILITARY EQUIPMENT AND MATERIALS

Where were we, in the middle of page 17?

Mr. **Marcy**. Yes, in the right column.

Do you want us to pass around this new version, Senator Church?

Senator **Church**. Yes.

Mr. Chairman, you will remember that at our meeting last week we ended the meeting having discussed rather much at length the proposed amendment that I have on page 17.

The **Chairman**. This is a revision of it?

Senator **Church**. This is a revision of it which is the result of our discussions at the committee table last week.

Senator **Green**. Who is "our"?

The **Chairman**. The committee.

Senator **Church**. The discussions of the committee last week. The staff assisted in the preparation of this revision. So it now reads as follows:

"Military equipment and materials" has been substituted for the term "Military assistance," so that training, which all of us seem to think was beneficial in the United States or in the Canal Zone, would not be included within the language of the amendment. It is not restricted by the amendment.

> Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere, which are found by the President to be important to the security of the United States, . . .

The second change that has been made is in the italic language that follows:

> . . . *or for assistance to military units committed to an international military force, for the protection of nations against external aggression, under the control of the Organization of American States.*

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[1] See Appendix B.

This is to accommodate the suggestion from the Senator from Tennessee and others of the committee that this would be a very appropriate use for military assistance, which would protect against the kind of thing which recently has developed in Central America.

The balance of the amendment reads:

> The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not be the basis for military assistance programs to American Republics.

INTERNAL SECURITY REQUIREMENTS

Mr. Chairman, I would like to call the committee's attention to the present standards applicable to military assistance in Latin America in present law. That is on page 6.

The CHAIRMAN. Of what?

Senator CHURCH. Of the pamphlet entitled "Legislation on Foreign Relations, Explanatory Notes," which sets out the present Mutual Security Act.

Mr. HOLT. It is page 12 of the markup.

Senator CHURCH. Also on page 12 of the markup print, I am told.

Yes, on page 12 of the markup print, present provisions of the law are included. Part 4 applies to Latin America.

It reads:

> (4) Military assistance may be furnished to the other American Republics only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not normally be the basis for military assistance programs to American Republics.

The CHAIRMAN. Actually, all you do is strike out "normally," so far as that last sentence is concerned.

Senator CHURCH. So far as that last sentence is concerned, only the term "normally" is omitted. However, the earlier part of the paragraph is changed substantially.

The CHAIRMAN. Oh, sure.

Senator CHURCH. As I said last Friday, Mr. Chairman, I do believe it appropriate to strike "normally" from the language of the law even though the administration opposes it. I say this because I think that this is an established program that goes on from year to year, and that internal security requirements ought not to be one of the standards for military assistance. If an extraordinary situation were to develop like that which developed in Guatemala several years ago, and a small group of Communists attempt to club their way to power, then it is always open to the President under the contingency provision of the law, and plenty of funds are made available to him there to move in to do what he might feel is necessary.

The CHAIRMAN. Of which law, this law?

Senator CHURCH. Of the Mutual Security Act.

Senator GREEN. He would do it no matter what the law was.

Senator CHURCH. That is probably so.

The CHAIRMAN. ICA money would be available for that, too, would it not?

Senator CHURCH. I think ICA money would be available for it, but my understanding is that the contingency fund is set up just to take care of such an unforeseen extraordinary situation or emergency. So we are not tying the hands of the President in such a situation, but we are tightening up the normal requirements applicable to military assistance in Latin America. I think the language of my amendment is consistent with what has traditionally been the policy of the United States, and also sets out more clearly and more precisely what the Congress intends the objectives of this program to be.

LATIN AMERICAN POLICE FORCE

The CHAIRMAN. I know there are some people, notably Senator Smathers and others, who are desirous of encouraging in a positive way the creation of a Latin American police force. He made a speech the other day which got a good deal of publicity.

Would it be proper to try to incorporate that in here, or separately?

Senator CHURCH. I think separately, Mr. Chairman. The very fact that we have included the underlying language in the revised amendment is implicitly indicative that this committee does approve of that idea.

The CHAIRMAN. Certainly there is no inconsistency between that and your idea.

Senator CHURCH. No.

The CHAIRMAN. You would prefer that it be handled in a separate bill?

Senator CHURCH. Yes.

The CHAIRMAN. I think that would be a more orderly way to do it.

Senator CARLSON. As I read this amendment, you are going to place a lot of responsibility in the Organization of American States.

Senator MANSFIELD. We should.

Senator CARLSON. I agree, we should. But would that be the police force you have in mind?

Senator CHURCH. This is a concept which is yet to be worked out entirely, but as I understand it, the concept would call for either a military force in being or one that would be under the jurisdiction and control and could be readily called into being by the Organization of American States. It would be used solely for the purpose of protecting individual republics from external aggression, and preventing the kind of raiding that is going on in the Central American Republics.

The CHAIRMAN. The sort of thing that happened in Panama the other day when an expedition came over from Cuba.[2]

Senator GREEN. May I ask a question of interpretation?

That aggression—does it relate to protection or does it go with the international military force? I think it ought to be clear what it qualifies.

Senator CHURCH. Let's see. "Or for assistance to military units committed to an international military force, for the protection of nations against external aggression, . . ."

Senator GREEN. It must not depend on the inflection of the voice.

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[2] On April 24 a landing party of Panamanians and Cubans landed in Panama in an attempt to overthrow the government of President Ernesto de la Guardia, Jr. Cuban Premier Fidel Castro disavowed any Cuban support for the expedition, and on May 1 the invaders surrendered to Panamanian armed forces.

Senator MANSFIELD. That would be worked out, Theodore.

Senator GREEN. Well, it hasn't been.

Senator MANSFIELD. I say it can be worked out.

Senator GREEN. It should be clarified.

Senator CHURCH. Would it be clearer to say "or for military units committed to an international military force, under the control of the Organization of American States, for the protection of nations against external aggression"?

I think it would be clearer if reworded that way.

The CHAIRMAN. That would meet it.

LATIN AMERICAN REACTION

Senator MANSFIELD. Mr. Chairman, I move the adoption of the amendment.

The CHAIRMAN. I personally can't see anything wrong in it. It is in the direction I would like to move.

This is a matter which I sense is in accord with the Ambassadors and representatives of these countries who unofficially say the same thing. I have had one or two of the most important ones——

Off the record.

[Discussion off the record.]

The CHAIRMAN. I think it is a good idea. What do you think, Frank? You speak for the administration.

Senator CARLSON. I am not speaking for anybody but myself.

The CHAIRMAN. You often do——

Senator CARLSON. I want to keep our Nation in a position, of course, to see that we do have a strong Central and South American group of nations. I am a firm believer in the Monroe Doctrine.

I am concerned about how the countries are going to feel about this. What you say about these Ambassadors is very helpful.

The CHAIRMAN. Between the choices, it is wiser to do the right thing.

Another thing, I think, is timely. We have been going along here $60 million. It wasn't very long ago that they had $36 million in this program. It is $60-odd million now, and now they are asking for $96 million. It is beginning to climb in that direction. And now is the time to turn it around into another direction before it gets any bigger.

STRENGTHEN THE OAS

Senator MANSFIELD. Mr. Chairman, talking about what Frank said, this doesn't contravene the Monroe Doctrine one bit. What it really does, in effect, is give added strength to an organization which needs added strength, and I think the OAS is in our best interest.

The CHAIRMAN. I have looked forward, Frank, to strengthening OAS in this field, and it is very logical at the proper time to strengthen its economic authority looking toward a common market, which is also essential.

Senator CARLSON. I want to favor any move that I feel will strengthen our position in Central and South America. If it is a move, let's take it; if not, then don't.

The CHAIRMAN. It strengthens OAS, with which I think we can do business in a very reasonable way. I am inclined to think this is a good amendment. I hesitate to take a vote with so few here. I am willing to, but we will have to review it when they get here.

Do you want to vote on it?

Senator CHURCH. If we can do it tentatively.

The CHAIRMAN. The motion is made.

All those in favor signify by saying aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[No response.]

The CHAIRMAN. The motion is passed.

Senator MANSFIELD. If there is any argument we can let them all go over it.

Senator CARLSON. Oh, sure.

Senator LAUSCHE. May I ask a question on this? That is, this underlined material means that military aid may be given to a nation providing it commits its military to international defense.

Senator CHURCH. Yes, in furtherance of missions that are related to the hemisphere defense.

The CHAIRMAN. We are trying to create an OAS.

Senator LAUSCHE. "For assistance to military units committed to an international military force for the protection of nations against external aggression under the control of the Organization of American States."

That is, if they make a commitment of their military forces for that purpose, then you may give them the aid.

USE OF ENGINEER BATTALIONS

Senator CHURCH. That is right.

The CHAIRMAN. The next one is of general application, and grew out of the testimony of Mr. Shuff, if you will recall, with regard to their purposes in Africa. I sensed we all agreed with it, and in any case it is a kind of admonition as to what they would do.

Would you like to consider that?

Senator CARLSON. Bottom of page 17.

Senator MANSFIELD. Yes.

The CHAIRMAN. You remember Shuff's testimony.

Senator MANSFIELD. I believe he said they were doing good work in Ecuador by using engineer battalions.

The CHAIRMAN. Yes, and he expected and hoped to do that in Africa.

Senator CARLSON. I am in favor of that, I have seen that. The military organization is a good group to do that type of work.

The CHAIRMAN. We do it here. One of the most effective things we have is the Army Engineers.

Senator CARLSON. I think we ought to approve that.

The CHAIRMAN. What does the administration say about that? They favor it.

Senator MANSFIELD. I move its adoption.

The CHAIRMAN. Is there any reason to amend it? The Executive proposes something. What was the effect of that?

Senator CARLSON. Would there be any objection to adding the words "in underdeveloped countries" after "foreign military forces"? That is where we want to use it.

Senator MANSFIELD. I think it is a good idea.

Senator CARLSON. That is my suggestion. It would just seem it is practicable to do that, add the words, "in underdeveloped countries," in order to kind of limit it where we want to use it.

The **Chairman**. I don't see any objection to that. Where would that properly come?

Senator **Carlson**. Let's see; after "foreign military forces."

The **Chairman**. I see no objection to that.

Any further suggestions of that?

Senator **Lausche**. Are you accepting the suggestion?

The **Chairman**. Yes. I can't quite see the significance of the executive branch proposal. What do you think?

Senator **Mansfield**. The first part doesn't mean much.

Senator **Carlson**. I don't see that it adds or takes away.

The **Chairman**. I don't, either. I can't see what it is getting at.

Senator **Green**. Where is that?

The **Chairman**. On page 16. They propose an amendment that I can't understand what it adds to or clarifies, and I don't see that it is necessary.

Senator **Mansfield**. Well, Mr. Chairman, the second part, " 'in underdeveloped countries' should be inserted after . . ."

The **Chairman**. I accept that.

Senator **Mansfield**. I move that the amendment as amended in that way be adopted.

The **Chairman**. Yes.

Senator **Church**. I second the motion.

The **Chairman**. Moved and seconded it be adopted with the acceptance of the second part of the Executive suggestion.

Without objection, it is so ordered.

Well, let's move on. We are making progress, for some unknown reason. What is the next——

Senator **Lausche**. We had better hurry while we can.

[Laughter.]

The **Chairman**. We are at the top of page 19. The House amendment is somewhat similar. If the committee thinks well of the idea, what we might do is accept ours, and then we are in a position to trade with the House and take theirs or ours, whichever we want to agree to. We must always keep in mind the House are very hard traders.

Senator **Mansfield**. I think it sounds like an excellent amendment, Mr. Chairman. I think if we do accept any, we ought to accept ours and use it, as you say, for bargaining purposes.

The **Chairman**. They are not too different.

Senator **Mansfield**. I move that it be approved.

Senator **Church**. As I understand it, Mr. Chairman, this merely establishes the norm, since it is qualified with the phrase "unless the Secretary authorizes an exception."

The **Chairman**. It is again an effort to emphasize economic aspects as opposed to——

Senator **Carlson**. I would call the chairman's attention to the second paragraph on the comments by the executive branch which reads:

"It should also be noted that the amendment does not make clear whether the 'resources' "—which is in the last line of this amendment—"referred to are with or without United States and other outside assistance. This amendment seems to be similar in purpose to the amendment to section 105 relating"—et cetera, and adopted by the House. "That amendment was worked out with executive branch participation."

Now, we might put a word there. What was your suggestion on that, George? You had something to clarify that.

Mr. **Denney**. Put the word "internal"; that would make it clear we are talking about help.

The **Chairman**. Yes.

Senator **Green**. Do the last lines mean that we undertake to decide for that country whether economic development needs have first call? Are we going to decide, or is the country going to decide?

The **Chairman**. In agreeing to a program for a country we have to evaluate it, certainly. We do now. It is just a question of emphasis, as I understand it. This is trying to push them in the direction of giving greater emphasis to internal economic development.

Senator **Green**. That means our opinion.

The **Chairman**. That is right.

Senator **Mansfield**. On the basis of our funds.

The **Chairman**. It is our funds they are asking to put in there, and this is part of the process of evaluating whether or not their program is a valid one, whether or not we wish to enter into it. We do that now, actually, and we are trying to emphasize the economic side.

DIFFERENCES WITH HOUSE VERSION

Again, I think this is a good spot where the House and Senate committees, at least, are thinking along the same line, and if we accept ours this will be a difference, and in conference we can easily give way to them without violating our own views. It will be a good opportunity, I think, to have a slight difference.

Senator **Carlson**. Would there be any objection on having the first call on the internal resources?

The **Chairman**. I would accept that.

Senator **Carlson**. I think that is all right.

The **Chairman**. We will amend that to include internal resources.

Senator **Church**. As amended, Mr. Chairman, I would like to move the adoption.

The **Chairman**. It has been moved and seconded.

Senator **Green**. Wouldn't it be well to put it in the singular rather than in the plural? You join with other countries together to treat them as one. The circumstances may be different in different countries.

The **Chairman**. You mean to a country?

Senator **Green**. A country.

The **Chairman**. I have no objection. I think that is a good thing.

Senator **Carlson**. I think that is good.

The **Chairman**. To a country, then, instead of to countries.

Senator **Church**. Then "countries," the last word, would be changed to "country."

The **Chairman**. I accept that amendment.

Senator **Mansfield**. Yes.

The **Chairman**. Any further discussion?

Without objection, it is accepted. The motion is passed.

[The committee next considered four House amendments which would specify how counterpart funds could be used and connect the Development Loan Fund to the U.S. trade balance. Members of the committee decided to pass over these amendments as a bargaining point with the House in the conference committee.]

FINANCING OF DEVELOPMENT LOAN FUND

Mr. MARCY. The next amendment is at the top of page 27, and this is the amendment which would put the Development Loan Fund on a long-term basis and increase the amount available by a public debt transaction to not to exceed $1.5 billion per year.

We have the exchange of letters between the chairman and the President if you wish to take a look at them.

The CHAIRMAN. Has everybody seen that letter? I can very briefly say what it is. They approve of the principle and objective, but they have reservations on two scores:

One, he thinks the amount is larger than necessary, and much of the letter is given over to stating why; the other is that he insists that appropriations would be the proper procedure. He advances a very curious and I think original idea as to how one may appropriate money in the Congress and one which, as a practical matter, is utterly unrealistic. I don't think anybody could ever get the Congress to appropriate money in the fashion suggested. If it could be done it would be fine. I wouldn't object to it at all. I object to it only because it is impossible to achieve.

Senator LAUSCHE. Mr. Chairman, I abhor this method of financing operations by borrowing. I think we are entering into that field at a rate of speed that is far too great, and dangerous.

I would not subscribe to the idea of financing this on the basis of borrowing the money. At least I would not do so at this time.

The CHAIRMAN. I remind the Senator that most of the large lending programs in this Government's history have been on this basis—the International Bank, the Commodity Credit, RFC, all of those. When the Senator refers to borrowing from the public, the only reason there is any borrowing in connection with it is that the Government is operating at a deficit. You could say we are borrowing for any specific thing you mention, because when the Government is running a deficit, how can one say that any particular activity isn't being financed by borrowing?

Senator LAUSCHE. I am basically against it, and I recognize the fact that those operations which are supposed to have been self-sustaining and involving revolving funds have substantially been financed in that way. But there is a grave trend toward avoiding what are deficit operations by financing projects through borrowed funds.

I mentioned some time ago that they are now advocating that we finance the Interstate Highway Building Program through this method of borrowing the money, and my own view is that I could not go along with this. I have made my statement.

The CHAIRMAN. I respect that, for the record so it reminds people of this situation. This is nothing new at all.

OTHER PROGRAMS SIMILARLY FINANCED

Here is a list of some of the activities that this government has sponsored by the very same method of financing that we propose here:

Commodity Credit Corporation, the Federal Farm Mortgage Corporation, the Federal Public Housing Authority, Home Owners Loan Corporation, Reconstruction Finance Corporation, the Tennessee Valley Authority, the Export-Import Bank, which is quite similar in purpose to this, the International Bank for Reconstruction and Development, the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, Defense Production Act, the Civil Defense Act, and Public Law 480, the Agricultural Trade and Development and Assistance Act.

All of those, as you can see from this list, recently have used this particular method. I think a lot more is involved in this than just the method. I mean this goes to a very fundamental distribution of power and influence in the Congress. If you accept the principle that the President is advocating and for which his real sponsors are the Appropriations Committee of the House and the Treasury, in a sense you would advocate and debate almost any influence in any field.

I don't know what we or any other legislative committee can do about this sort of thing if we just say all right, no matter what the program is, lending or any other, the Appropriations Committee of the House has the last word. They are the people who are going to determine whether we pursue a program or not. They already have proved a case here because 2 years ago the administration backed a similar proposal to this one, similar in every respect except size. It was $2 billion instead of $750 million. The administration backed it and proposed it; it resulted from the administration's decision and this committee's. And the House committee, primarily under the influence of the House Appropriations Committee, just emasculated it; they destroyed it. They wouldn't accept it and they authorized $700 million and appropriated $600 million, $400 or $600 million.

Senator AIKEN. Up to $700 million in all.

The CHAIRMAN. In all $700 million. There were two stages, but I think this program will not operate; it will never be worth two cents if we are going to leave it in the hands of the Appropriations Committee of the House. I have no further interest in it as an effective arm or part of this program if we accept the principle that the House has to appropriate the money annually.

Senator LAUSCHE. Mr. Chairman, will you yield?

The CHAIRMAN. Yes, I yield.

Senator LAUSCHE. In answer to what he has said, I merely want to point out that at the time these various projects were promoted, the Government's ability to sell bonds was simple. Today we cannot induce people to buy bonds, and the more of them we throw into the market, the worse we make the condition. I think that we ought to go slowly in throwing additional bonds into the market which will merely aggravate the ability to sell them.

The CHAIRMAN. I can say only this with regard to that: These are two different problems. In the context the Senator mentioned, I think he is correct that something has to be done about the inability of the Government to borrow money for all purposes, not just for this purpose.

Now, the cure for that is not to stop an activity which is vital; we, the Government and I believe it is very important to our foreign policy to seek the remedy in the other field.

I think the Senator will agree that the remedy for what is not afflicting the Government bond market is the fiscal policies of the Government. The Tax Bill of 1954 was the origin of the situation we now have, and it set the stage for inflation, which is bad.

A CURE FOR INFLATION

What is the cure for inflation? Everybody has his own idea. I am as old-fashioned as the Senator from Ohio. I think it is to raise taxes and balance the budget; then I think your bonds will be salable again and you will have a recurrence of stable financial situation. You can't do it in any other way, but I am not willing to sacrifice programs which we think are important, long-term programs for a temporary dislocation in the Government bond market; and this country can certainly cure it if it wants to do it. It happens to be unpopular to support increased taxes and increased budgets.

Senator LAUSCHE. The talk is about decreasing taxes, not increasing them.

The CHAIRMAN. I say either way. If you can find a way to decrease the expenditures, I think it is a little of both. You have to do both in view of the demands on the Government.

Let me read one other paragraph. This is what the President said in his message to the Congress in 1957. On page 7 of the President's message, he said this:

> I ask the Congress, therefore, for an initial appropriation for fiscal year 1958, and also for authority for the Fund to borrow from the Treasury in succeeding years within stated limits. Such borrowing authority has been used to finance many other United States lending operations. I believe this financing mechanism is well suited to the character of the Fund.

He is talking about the Development Loan Fund [DLF]. That is the President's own message.

What has happened? He believed that then; it was the considered opinion of the President. Of course, the bond market has gotten out of kilter, for some reasons which I think we should have been able to cure or prevent. But in any case I don't think the country is bankrupt. I know it is not. It is more prosperous than ever. It is a dislocation in distribution of money and the prospect of inflation; psychologically, people believe there is going to be inflation and they don't want to put any money into any kind of bonds, not just Government bonds. Railroad bonds, and municipal bonds are way down because they believe inflation is impending and they don't want to see their savings eroded by having it in fixed obligations.

I don't think we can tolerate that. I think we have to do something about it, and what we have to do about it is pretty plain, but it is unpalatable and unpopular, and we won't do it until things get more serious. That is about what has happened in the past. That is all I have to say.

HIGHER RATE FOR FOREIGN LOANS

Senator AIKEN. Mr. Chairman, I find your proposal interesting. I would be more inclined to go further with it, if it were not for the fact that the President has already asked us for the amount of between $9 and $10 billion in gold dollar credits and guaranties for foreign countries this year. Adding this amendment at face value would bring it up to around $15 billion authorized for foreign countries in 1 year, and would be going quite a way.

Senator LAUSCHE. Is the Senator speaking about the Monetary Fund and the World Bank?

Senator AIKEN. Yes. I had my fingers crossed in voting for them because I don't know how far we can go in guaranteeing foreign loans at a higher rate of income than we get in our own Treasury. I can see why people don't want to buy Treasury bonds at 4 percent, or whatever it is, when they can get considerably more on a guaranteed investment outside the country.

I admit I am not smart enough, and don't know what to do about it. I am smart enough to see the problem, though.

The CHAIRMAN. I don't deny it is a problem. It is a problem. It is a bad choice.

Senator AIKEN. One of the witnesses told us the other day that $500 million of guaranteed investments in other countries, they submitted figures showing about $360 million of it had been taken up and about 80 percent of that had gone to guaranteeing the construction—income, from guaranteeing plants of established American industries in England, France, Germany, Netherlands, and Italy. We still have quite a lot of producers who are going to find it increasingly difficult to meet this competition which we finance and which we guarantee.

I don't know what the answer is. If I knew, I would write it down and submit it to the committee.

The CHAIRMAN. May I complete the record, George, before I get off it? We may not get back to this.

STATE DEPARTMENT FAVORS FINANCING PLAN

We have asked the State Department to give us language in order for the committee to consider it concretely carrying out the suggestion of the President in his letter. So far they have not been able to do so. Whether or not they can, I don't know. Their suggestion with regard to the financing, you will note, is a very unusual one. I think it is unprecedented and can never be done. I can say on my own authority that I have talked to these people and there is no doubt in my mind that the State Department favors my amendment with the possible exception of the amount; they favor the financing.

Senator AIKEN. I think the amount is a little scary at this time.

The CHAIRMAN. I would go along with that, too. They favor it. The Treasury and the Budget are the people who have prevailed with regard to that letter. I am confident that what has happened is the Treasury and Budget would not approve this, but the State Department does.

Senator AIKEN. I favor your proposal over the virtually complete guaranty of foreign investments as proposed by the Straus report.

I can't see how anyone could fail to be a successful investor if we approved all the recommendations which—well, even go as far as Mr. Dillon did before us the other day. It might be that a man couldn't work on the road or run a farm or keep a store or dig clams, but under those guaranties he would have to be a successful international banker. The law wouldn't permit him to do otherwise.

The CHAIRMAN. One other thing; the estimate of the State Department—that is, Mr. Dillon—with regard to the impact of this amendment if it is actually adopted is that because of the lead time necessary in development of projects, he didn't believe that the impact on just next year's budget would be materially different whether we take the $700 million that is authorized now or the $1.5 billion.

The significance of this would be that as it built up in the last years of the 5 years, as the approval of long-term programs came into being, then it would build up to above $1.5 billion. But for the immediate future in the first year he didn't think there would be any difficulty. He estimated that the actual outgo would be in the neighborhood of $200 or $300 million.

Senator AIKEN. But everybody, even one of my small neighbors that makes zip-up bags for carrying your pajamas in, is putting in a plant somewhere in Germany. Every little business, as well as every big business, has to have a foreign branch now to manufacture; and some of our folks are complaining they can establish a branch plant in a foreign country, make the same goods, ship them back here, pay the duty on them and undersell themselves.

Senator HICKENLOOPER. They do; they are doing it every day.

Senator AIKEN. What is the answer? If we all had money to invest maybe we wouldn't care, but there are still some producers left.

The CHAIRMAN. Well, not only is this a critical time in regard to the Government debt and Government financing, but look at labor and steel now. This was a psychological period. If the steel companies reduced steel prices tomorrow, there would be an immediate psychological change the other way; but if they are going to increase prices and wages, well, I don't see how they are going to stop it short of drastic action. And everything indicates that is what they are going to do.

What I meant about reform of the budgetary situation, Frank, is that it is going to come, I guess. We will have a much more serious and difficult situation than we have now, because they are not willing to take the action which the time clearly indicates, and that would be a reduction in prices in steel without a wage increase. That would have a great psychological effect, but I don't believe they are going to do it.

FINANCING OF MARSHALL PLAN

Senator CHURCH. Mr. Chairman, may I ask a question or two about this amendment?

For my information, how was the Marshall Plan financed? It was a 4- or 5-year program, as I recall. What was the device used in the law for the financing of the Marshall Plan over that period of years?

The CHAIRMAN. Do you remember that, Mr. Marcy?

Senator KENNEDY. Wasn't that grants?

Mr. HOLT. It was an authorization of appropriations, Senator. There was a statement of policy that it would be a 4-year program, but there was a specific requirement that it had to be authorized annually.

The CHAIRMAN. Go ahead.

Senator CHURCH. So I understand, regarding the authorization, that there was merely a statement in the law that the program was intended to be a 4- or 5-year program; but actually, the amount necessary to finance it had to be authorized each year and then appropriated each year by the Appropriations Committees.

Mr. HOLT. That is right. In the initial——

Senator HICKENLOOPER. Just a moment, Pat. Was there a statement in the law that it was a 4-year program, or wasn't that the general statement given at the time the law was passed?

Mr. HOLT. My recollection, Senator, is that there was a statement in the law.

Senator HICKENLOOPER. I don't recall that at all.

Mr. HOLT. In the initial authorization of the Marshall Plan, because of pressure of time, there was authority for a certain amount, I think a billion-odd dollars borrowed from the Reconstruction Finance Corporation which was subsequently reimbursed by appropriations.

The CHAIRMAN. Also while you are on that, what percentage of the Marshall Plan was grant aid?

Mr. HOLT. A substantial percentage.

The CHAIRMAN. You see, this is the distinction we and everybody else recognize. This is a grant program. It certainly isn't proper to use this financing device. Only in the lending programs, and every one of those programs I mentioned before are all lending programs.

FUNDS DRIFTING TO COMPETITOR NATIONS

Senator AIKEN. Is there any way we can make sure that development loans and guaranties of investment are actually made in underdeveloped countries that we originally intended them to benefit, and don't drift right into the highly developed countries that are already our strongest competitors and taking our business away from us?

I was amazed to find the other day in those figures that 80 percent of our guaranties of investment had gone to England, France, Germany, Italy, and the Netherlands.

Senator CHURCH. Under the World Bank loans.

Senator AIKEN. Who guarantees them? Five hundred million dollars, and about $360 million of it already has been put out, insured, and the rest of it was spoken for.

Senator LAUSCHE. When was that testimony given?

Senator AIKEN. I have forgotten who gave that testimony.

Senator LAUSCHE. Senator Aiken, was that testimony submitted?

Senator AIKEN. It was a paper.

The CHAIRMAN. These are not loans but guaranties.

Senator AIKEN. They are not loans, but insurance against inconvertibility and expropriation. I suppose in these European programs it was inconvertibility they were worried about.

The CHAIRMAN. The theory behind that, Frank, is that insofar as you can induce private capital to go into this, that relieves any necessity of the Government program. This is somewhat in accord with the recommendations of certain business groups like the Randall people and others to do all that we can to get private capital to assume a program. Whenever they use dollars from General Motors or anybody else, theoretically that relieves the pressure on the Government program. That is what is behind it.

Senator LAUSCHE. I think the future will bring before us the problem, though, where American capital will be dominating the whole economy and there will be revolt against the presence of foreigners in business controlling the economy while the local citizenry is not participating. I think that is an inevitable problem.

The CHAIRMAN. That is a long way off in Western Europe.

Senator LAUSCHE. But Senator Aiken makes the point that the funds are being borrowed by American manufacturers who set up subsidiaries and then manufacture there and sell back here at a price below that at which they are able to manufacture here.

Senator **Aiken**. That is right. They fill their orders in other parts of the world where they have been put out of business competitively as far as their domestic plants are concerned, and some of them actually ship back into this country, I believe.

Senator **Hickenlooper**. It is not a loan, is it? It is a guaranty.

Senator **Aiken**. It is a guaranty; it is insurance.

The **Chairman**. It is insurance.

Senator **Hickenlooper**. That is what ties up the country.

Senator **Aiken**. And now most of it is tied up in Western European countries; they actually made some money on it. They said they had, but of course it is not a money-making——

The **Chairman**. That is where they want to do it. They don't want to do it in really backward countries where there is not really any established method of doing business.

Senator **Aiken**. There are also countries where they will go in and set up their plant with or without insurance. As long as they can get inconvertibility, they can take it out and that uses up the authority to make that same loan in the underdeveloped countries where perhaps it would be more effective.

The **Chairman**. On the other hand, I expect it is a pretty good guarantee for most, short of a total war.

SITUATION IS TOTALLY DIFFERENT

Senator **Hickenlooper**. I tend to agree with what George has said. I think the situation at the moment with regard to these guaranties and the situation when the guaranties were first proposed and put into effect are totally different. There was a time some years ago when we were attempting to get the countries back on their feet industrially, and one of the few means of doing that was to encourage American capital to go into the countries and set up plants; and they just simply won't go in because of the instability of the countries and their economies.

There was some reason at that time for guarantees against inconvertibility and against expropriation.

There was no guarantee of profits involved, and there still isn't any guarantee as to profits, as I understand it.

The **Chairman**. That is right.

Senator **Hickenlooper**. But my feeling is that that time is passed, so far as the so-called Western European countries are concerned. Now it has become absolutely necessary for a great many of our manufacturing plants, if they are going to keep alive, keep employment going, and keep their finances in shape, to go abroad because they simply cannot manufacture the stuff in this country and compete in the world markets. They can't even complete in the American market unless we put up a tariff wall so high that we cause a ruckus.

I had a fellow in my office here about 3 weeks ago who said that his company manufactured a lot of things; but among other things, he said, they manufactured 5,000 units of a certain product every month. That had been their customary sales level. He said it got to the point where they couldn't manufacture that product and sell it either in the American market or the world market without a substantial loss on every product. He said their wages are so high they couldn't meet their costs. So they went abroad and found out that if they took the costs of that product in Holland, he said the cost in Great Britain was somewhere around 120 or 25, and the cost in Switzerland for that product was about 120, 25, 30 per unit, and the cost in the United States for that same unit was 167—I think that was the comparative cost in the United States--and he couldn't make it in this country. So he said, "We are having 3,000 units made every month in Holland and sent back here." He said, "We are still making 2,000 of them in our own plant here, and the only reason we are doing that is to keep our skills alive." He said, "If we looked at the balance sheet solely we would have every one of those 5,000 made abroad," because, he said, "we can have them made abroad, shipped in here, pay the duty on them, lay them down and compete."

So many of these companies are forced to do something; they are being priced out of the market. That is all there is to it.

The CHAIRMAN. I don't think there is any doubt about it.

Senator HICKENLOOPER. I got off the sideline here, but so far as the guaranties today in so many of these countries—so far as convertibility is concerned as against expropriation—England, Switzerland, Germany, all those countries, I am not at all certain there is any necessity for that now. I think there was justification for it when it first started out.

The CHAIRMAN. I am not arguing for that. That is a different point, but I don't know that I differ with you at all.

REAL PURPOSE IS TO AID UNDERDEVELOPED NATIONS

This particular program is only partly related to that point. The Senator from Minnesota is a co-sponsor; we are talking about the one on page 27. Have you read the letter from the President?

Senator HUMPHREY. Yes, I read the press report.

The CHAIRMAN. Well, if you want to read the full letter it is available. I have already talked, Hubert, and said too much on this subject.

Senator HICKENLOOPER. The only reason I raised the question was that Senator Aiken raised the matter of guaranties and a portion of these funds being used as guaranties.

The CHAIRMAN. I think you are right. However, it is not too serious in that the fee is relatively small. It is the safest part of the countries and they do it only because it is available.

I wouldn't have any objection to putting a restriction that it not be done in Western Europe.

Senator AIKEN. I raised the question because we have to decide whether it is better to extend this aid for plant construction and so forth through the Development Loan Fund or through a guaranty of private investment for almost any conditions.

The CHAIRMAN. Senator, the real problem is not Western Europe. I don't think the Development Loan Fund is intended to help Western Europe. Its real purpose is in the underdeveloped countries outside Western Europe.

Senator AIKEN. That is where it was intended to go.

Senator HICKENLOOPER. There is no question about that, but the point George is trying to make, as I understand it, is that regardless of how you term it, these funds that were supposed to be used in the

Development Loan Fund operation, have, in fact, been tied up in guaranties. Isn't that it, George?

The **Chairman**. A very small part. I don't think that is right. I didn't realize that is what you were talking about.

Senator **Hickenlooper**. I thought that is what he was talking about.

The **Chairman**. I think it is a very small amount.

Senator **Aiken**. The ICA, in addition to the Development Loan Fund, has authority to guaranty investments abroad up to $500 million—I think I am correct on that—and they have already obligated the $500 million which they had authority to.

The **Chairman**. Can the staff give us the details? I don't think much, if any, of the Development Loan Fund is tied up in this thing.

Senator **Hickenlooper**. That is what I thought he was talking about.

Senator **Aiken**. I think you have to choose between the two of them.

The **Chairman**. I believe that is an administrative matter. I don't think any substantial amount of Development Loan Funds should be tied up in Western Europe under any program.

Senator **Aiken**. I have asked the staff to see what they can do toward drafting an amendment which will ensure that this guaranty of loans and the financing of industries and other things go to the countries we actually intend it to go to.

TWO INVESTMENT GUARANTY PROGRAMS

The **Chairman**. I am almost sure that when you get outside of the established industrial countries that have stable governments, even with a guaranty you are going to have awfully few takers.

Senator **Aiken**. That is right. They can't lend it. They can't earn so much in these countries.

The **Chairman**. Can you tell us actually what happened?

Mr. **Holt**. There are two investment guaranty programs. By far the largest one is carried on by ICA and has been for many years, going back to the Marshall Plan, wholly independent of the Development Loan Fund. This guaranty program makes guaranties of convertibility of currency and it also makes guaranties against the loss of an investment by expropriation and war or confiscation.

Senator **Hickenlooper**. We kept that war business out of this for a long time.

Mr. **Holt**. That is right. The war is recent.

Under that program, as of the end of December, 263 guaranties have been issued for a total amount of $400 million, of which $320 million was in Europe.

The **Chairman**. How much money is tied up? How much does that mean is sterilized? Do they set aside 50 percent of that as a fund?

Mr. **Holt**. They have authority to issue $500 million, don't they, George?

Mr. **Denney**. That is right.

Mr. **Holt**. They maintain a fractional reserve against it. They charge a fee. The program itself has been self-supporting; in fact it has returned a profit to the government.

Senator **Church**. Is this administered by ICA?

Mr. **Holt**. This is administered by ICA.

Senator AIKEN. I noticed that, because I happened to notice the names of three machine tool companies in my own area which had taken out insurance on branch plants established in Western Europe.

Senator LAUSCHE. You have not answered the question. What reserves are required? You said fractional reserves, the guaranteed loan.

Mr. HOLT. There is a note issuing authority for $500 million. They can issue guaranties up to $500 million, and they have used $400 million of that.

The CHAIRMAN. Does this sterilize any part of the ICA appropriations?

Mr. HOLT. No, it does not.

The CHAIRMAN. There is not any reserve. It is merely authority to borrow. What is the other program?

Mr. HOLT. The other program is a more general authority for the Development Loan Fund. In addition to all the other things it can do, it can make guaranties. This has not been a widely used authority by the Loan Fund. It is contemplated that the kind of guaranty it would make would be if, for example, corporation "X" was going to make an investment in, say, South Asia, and part of its investment would be borrowed capital rather than equity capital. Corporation "X" would go, say, to Chase Manhattan Bank and would want to borrow $1 million, and the Development Loan Fund would guaranty Chase Manhattan Bank that it would get its $1 million back. That is the type of guaranty that is contemplated here. But that has not been used, I think, not at all, although there might be one or two of them.

Senator LAUSCHE. That would mean, then, that in the underdeveloped countries where the Development Loan Fund could guaranty loans for the establishment of business, no one has availed itself of that right. So no industry has gone into the underdeveloped countries but they have gone into the European countries.

Senator AIKEN. About 20 percent of it has gone into what you would call underdeveloped countries up to now.

Mr. HOLT. There have been loans to industries going into underdeveloped countries, Senator, but they have been directly from the Loan Fund to the industry concerned. It has not been the guaranty.

The CHAIRMAN. Not the guaranty.

BILATERAL AND MULTILATERAL LENDING AGENCIES

Senator CARLSON. Mr. Chairman, when this matter was before the committee, I asked Secretary Dillon to furnish for the record a synopsis of the United States and the international lending agencies, and it has been submitted.

We have the U.S. bilateral lending agencies which are the Export-Import, and I am speaking of these funds: Development Loan Fund, the International Cooperation Administration, and the Agricultural Trade Development Assistance Act, which gets Public Law 480 funds. Those are the bilateral ones.

Then we get the multilateral lending agencies—the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Finance Corporation. And they are talking about the Inter-American Development Bank.

On the Development Loan Fund I read this:

Financing from the Development Loan Fund is authorized for loans and guaranties except it may not purchase equities and securities. Criteria of loans made by the Development Loan Fund included that the activity to be financed is located in a less developed friendly country.

That is one of the requirements. It is a rather interesting analysis of all the financial agencies of these countries.

I wanted them because we have so many of them and the Export-Import Bank and the Development Loan Fund and the International Cooperation Administration all guaranty.

The CHAIRMAN. Would the Senator offer it for the record?

Senator CARLSON. It is already in the record. I asked for it for my own information. It is quite informative. It was to me.

Senator LAUSCHE. An excellent paper. It came to us a few days ago.

Senator CHURCH. Mr. Chairman.

PRESENT SYSTEM IS INADEQUATE

The CHAIRMAN. Senator Church.

Senator CHURCH. Do I understand that under the present law these DLF funds may only be used for loans in underdeveloped countries?

The CHAIRMAN. That is what he just read.

Senator CARLSON. That is what the criteria says, yes.

Senator CHURCH. I know it is not the purpose of this committee to educate me, but you represent pretty good teachers, and this is a very important amendment. It is sponsored by the chairman, Senators Humphrey and Kennedy, who are present, in addition to others.

I would appreciate having a short statement of the reasons why the sponsors of the amendment think that it is necessary. The Senator from Ohio has raised some objections that I think are cogent, and I would just like to understand the reasons why this amendment in the view of the sponsors is necessary and desirable. That would assist me in understanding the amendment and its purposes.

The CHAIRMAN. I will undertake to be brief. It is not easy to make all the reasons for it brief, because this particular type of activity has a long history, and it stems from the Marshall Plan, and so on.

Senator CHURCH. Yes, I understand that.

The CHAIRMAN. The first assumption is that in the conditions that exist in the world, if this country, being the great industrial country that it is, is to preserve its influence on the development of the world, and so on, it must play an important part in this field.

Senator CHURCH. I understand that, Mr. Chairman.

The CHAIRMAN. That is the first assumption.

Senator CHURCH. I am sympathetic with the purpose of the long-term economic development.

The CHAIRMAN. The purpose is to find a more satisfactory and effective way to meet the need.

Senator CHURCH. Yes.

The CHAIRMAN. My criticism of the present program which is dependent on the annual appropriations is that it is wholly inadequate. And because it is dependent upon annual appropriations, no reasonable person administering it can develop a continuing program. He can't go to the country and say, "Let's look at your situation. You need things which are not just elimination of mosquitoes or the drilling of a well," a little tube well that can be done in six weeks, and all these nice things that need to be done. But they are of temporary or of minor nature, alleviating conditions rather than getting at the basic things such as building docks, transportation, which is essential, power development, things that first have to be done before there can be the later development.

Senator CHURCH. Let me ask you some specific questions.

The CHAIRMAN. That is the basic thing. It is to give a continuing program that administratively can be done over a period of years to get at the wealth-producing possibilities of these countries.

DIFFICULTIES WITH THE APPROPRIATIONS COMMITTEE

Senator CHURCH. I understand the objective, and I am in sympathy with it. But let me ask you specifically: Why is it that under the present situation this is not possible?

The administration now asks for $700 million to be available in fiscal year 1960 for the Development Loan Fund. My understanding would be that if that amount were appropriated then the Development Loan Fund would have $700 million to apply to the purposes, and a part of that could be applied to a commitment for a $50 million program in a given country that may in fact take several years to complete.

But what, under the present arrangement, would prevent the loan from being made out of appropriated funds and thus committed, even though the entire $50 million is not spent in 1 year but is spent over several years? If the money has been authorized and appropriated can it be committed by the Fund for a long-term development that might take 4 or 5 years, and wouldn't it remain available to the Fund for that period?

I don't quite understand why it is necessary to do it this way in order to achieve the objective; that is the difficulty.

The CHAIRMAN. Well, experience, I think, is partly something which enters into this judgment—not only experience in the administration of existing programs, but experience with the Appropriations Committee. I think this involves a description of our system.

Rationally, logically, you are right. Actually, I don't think you are right.

Senator CHURCH. Well, Mr. Chairman, is the basic reason for the amendment your fear that the Appropriations Committee——

The CHAIRMAN. It is not fear but certainty, because we have experienced it year after year.

Senator CHURCH. Will the Appropriations Committee not year by year appropriate amounts that will be necessary to be appropriated?

The CHAIRMAN. There is no certainty that it will be appropriated. I just gave the example of the last experience we had on an authorization 2 years ago, recommended in that instance by the President, as I read you in this excerpt from his own statement.

Senator AIKEN. I think, Mr. Chairman, there might be a little easier feeling if you cut the amount in half and limited it to 3 years.

LACK OF PRESSURE FROM AN ORGANIZED LOBBY

The CHAIRMAN. I wouldn't object to that. It is the principle I am particularly interested in, as I have said. I think this is very likely what the conditions will justify. I would be willing to accept amendments along that line. But the only significance of the principle is the method of financing and not to subject this program to the continuing control as it now exists in the committee of the House.

The reason for this is not that I think the House is mean or stupid, or anything of the sort. This inheres in our kind of a system. There is no lobby continually bringing pressure upon our Appropriations Committee for a program as there is in the Mississippi River Valley or the Ohio River.

The Senator from Ohio represents a powerful State. They have no doubt that whatever they need on their rivers they are going to get. There is a continuing power and pressure in the House and Senate to assure that they get it.

I feel much the same way about the Arkansas River. I don't care whether we have a continuing authority. I am perfectly willing to go along with Senator McClellan on the Senate Appropriations Committee, and Norrell[3] on the Appropriations Committee of the House. I know this year they put in $3.5 million on Dardanelle Dam. I know when that is out they are going to come along and get whatever is needed to get this program going.

But that is not true on this program. It is entirely different, and experience has proven. There is nobody here; it is not politically popular to be for these programs, and this committee is selected to take the heat on this kind of a program.

If we are not going to do it we are not going to have a program; that is what I think.

LONG-TERM COMMITMENTS

Senator CHURCH. Let's assume we were to tear this amount down from $1.5 billion to $1 billion, and we were to limit it to a 3-year period. If we were to do that, then we would be assured that for the next 3 years there would be $1 billion a year available to the Development Loan Fund.

The CHAIRMAN. That is correct.

Senator CHURCH. And the Development Loan Fund administrators could make that assumption, knowing that over the 3-year period they would have $3 billion and could make commitments accordingly; they wouldn't have to worry about having half of that being cut back by the Appropriations Committee next year.

The CHAIRMAN. That is correct.

Senator HICKENLOOPER. As I understand it, they can already make their commitments out of what money is available. You made the point a moment ago.

Senator AIKEN. I mentioned $750 million because in the testimony we have had over the last 2 years that was about all they can really process safely in a year unless they greatly expand facilities and personnel; and I don't know that we would want them to do that.

The CHAIRMAN. I agree, George. Dillon said that if you took it like it is, next year it wouldn't; but in 3, 4 and 5 years it would begin to come into real fruition.

Senator AIKEN. That is true. But not for 3 years. With the amount left available they probably wouldn't process $750 million.

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[3] Representative W. F. Norrell (D-Arkansas).

THE DANGER IN THE PROGRAM

Senator HICKENLOOPER. On the other hand, here is the danger in this. We have all seen eager beavers around the world throw American checkbooks around with great abandon.

I have been for a Development Loan Fund; I have wanted to loan money to people in the underdeveloped areas rather than give it to them. I have always thought that if the economy of a country merits the adventure and the investment and so on, that country ought to pay it back out of the economy developed by these methods. They ought to pay the cost of it and soft loans if necessary, because they can't make hard loans.

On the other hand, the danger is this: If they have $750 million in the pot now, they can parcel that around and make commitments on that. They can build projects or start them, or they can commit the money, as I understand it; but if they know that next year they are going to have $1.5 billion, and the next year they are going to have $1.5 billion, you will find the free-wheeling spenders we have all over the world—and the woods are full of them—tempted to make tremendous promises long in the future of these countries on projects that may or may not be completely sound. I am not so sure that it encourages self-help to the greatest degree possible in these countries.

I think if we don't encourage self-help and self-development in these countries and lift them by their bootstraps a little——

The CHAIRMAN. Bourke, your criticism goes entirely to the wisdom of the administrators, and goodness knows I can't defend them entirely, although I must say the way the International Bank has been administered on the same principle is excellent. I think Dillon has the capacity and intelligence to move in this direction, and he will be good. Who am I to say we will be better or worse than this? I think to have a continuing program will be a great inducement to get good administrators; if it is just year by year there is no future to it. No good, intelligent man, certainly no man of the stature of Black, would go into a program when he may have something this year and nothing next year. The reason he gives his complete time and attention to it, the reason he is a real success is because he has an institution that means something. He has developed a prestige that in many respects goes beyond our own diplomatic people, because they can and do rely on him. He can make progress toward solving the trouble between India and Pakistan, because he represents an institution they have confidence in which has money at its disposal.

He will be here next year and the next, and he apparently has done a better job than all of us put together—both administrations, Democratic and Republican—have been able to do; at least it is in the process, I think, of coming into fruition.

He is the best example I know. It is the best, most persuasive thing I know for the underlying principle for this program, and I think it is because he has continuity.

Senator HICKENLOOPER. His operation is put on a little different basis.

The CHAIRMAN. Very similar.

Senator HICKENLOOPER. He is on a banking operation, and this is a soft loan.

The CHAIRMAN. This is what we are trying to create here, and all I can say is that we have to get better administration and wiser men. If you are going to assume, that we have stupid men who aren't responsible and don't really weigh the considerations properly and spread this kind of thing in an irresponsible way, goodness knows, we oughtn't have one at all.

Senator HICKENLOOPER. I don't assume all people are stupid.

The CHAIRMAN. We have to have good people.

Senator HICKENLOOPER. If we don't take a look at the experience, we will find there have been a lot of stupid people in these programs.

The CHAIRMAN. I think the nature of the thing has contributed to that. In contrast to that experience—and I agree with you it has been, and one of the reasons for it is to try to get a better organization—the Export-Import Bank and the International Bank both have been extremely successful. I don't know of anybody who says they haven't been, and although they are hard loans, they are both approximately set up under this idea of a continuing program.

When you go to the Export-Import Bank, you don't go just for a year. Nobody says, "I don't know whether Export-Import will be here next year or not." You go and you make your case, and it only takes 1, 2, 3 years before it comes to fruition. It has been successful. So has the International Bank.

IMPORTANCE OF A CONTINUITY OF CAPITAL FLOW

Senator HUMPHREY. Mr. Chairman, to argue that if you have a continuance of money it lends itself to promiscuous, unplanned or careless use I think is really to the contrary. If you have the supply, your director, your bank board DLF fund, doesn't have to be in a hurry.

Now, one of the greatest mistakes that we found in mutual security was the necessity to commit at the end of every year, for example. We had to try to put the brakes on that. There were funds left over at the end of a year, so by June 30 they had to have everything committed, and we would have a scramble of commitments that were possibly not too well thought out.

It appears to me, as Senator Church raised a very valid point for our discussion, that you could have a $50 million project, and you could take all the $50 million out of the 1 year appropriation and authorization. But if there was a sense that next year the fund was going to be sharply reduced, the tendency would be to approve that $50 million while you had the money. If the money was going to be on a continuous basis for at least a longer period of time, the tendency might be to take a little longer look at the $50 million project to see whether or not it was really meritorious.

This isn't just theory; this is exactly what Senator Fulbright is saying with reference to Export-Import. They do take the longer look. There isn't a dateline that forces them in terms of the authorization or the appropriation.

I believe it is again a matter of the atmosphere in which you do these things. There is no guarantee of this at all, no guarantee that this will be a better system, except that the experience proves that in the funds where there have been longer-term commitments, in Marshall Plan and the World Bank, and Export-Import, those funds have a better record of sound loans.

Now, these are the same people who in a sense are administering these funds. They are people of competence, people of economic background, and I have a feeling that the countries in need of capital assistance would feel a little more reassured in their own planning if they had some feeling that there was a continuity of flow of capital. Also I think it gives us a better chance to check and doublecheck all the way on through the project.

The CHAIRMAN. One other very important item. If it is an appropriation, say it is $700 million, say they don't want to commit $700 million. Dillon says he won't commit that, but about $250 million. But if at the end of the year you want another $700 million, you can't get it. They say, "You have $500 million; we won't give it to you." That is what follows every time. And that is why as the year approaches the pressure is, "We have to get rid of the $700 million, throw it away, because we will be going up for $700 million more."

Senator HUMPHREY. There is one other point.

At a meeting with Paul Hoffman [4]—I was there, as well as Senators Church, Sparkman, Monroney, Gore, and others—Paul had some very good observations about what they are doing with this U.N. special fund. He was pointing out that one of the real problems in this use of capital is to make an inventory or a survey as to what the possibilities are in the country into which the capital is to flow. Frequently requests are made for loans with, for example, inadequate geological information, inadequate information on the total economic base of the country, even its potential. They are spending their limited amount of capital very carefully in these surveys of the economic possibilities of the capital deficit areas, and the so-called underdeveloped countries.

I was of the opinion from reading this report, that no matter what we do in terms of the 1 year, 3 years or 5 years on DLF, we might include a recommendation that before the DLF makes a loan, it at least receive the advice and counsel or report of the U.N. special fund agency as to what the economic potential and possibilities of the recipient country would be.

I am not prepared to give a detailed description of Mr. Hoffman's presentation, but I think, Frank, you will admit he laid down some fundamental points as to the use of capital and how this U.N. special fund could be of great assistance in our bilateral arrangements to give a better clearance and a better economic underpinning for the use of capital, and also how the U.N. special fund might, with a little implementation even from the special fund in this mutual security, do an even better job than it is doing now.

He made a good presentation. I am sorry that more of us didn't hear him.

You might supplement that.

INCREASING THE PUBLIC DEBT

Senator LAUSCHE. Mr. Chairman, may I ask Senator Aiken a question?

The CHAIRMAN. Yes.

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[4] **First administrator of the Marshall Plan.**

Senator LAUSCHE. When you proposed a change in the figures, did you contemplate that it would be financed by increasing the public debt?

Senator AIKEN. I didn't go into the financing. I was applying it to——

Senator LAUSCHE. Treasury borrowing?

Senator AIKEN. As written.

Senator LAUSCHE. All you did was change the figures and the time.

Senator AIKEN. I would half the amount and take 40 percent of the time, and then at the end of 2 years I think we should certainly give it an awfully good looking over again to see if it is doing what we intended it to do. But I do realize that when they know the authority expires at the end of every fiscal year, they are under a handicap and it encourages sloppy operations.

Senator LAUSCHE. Would you finance it in the manner suggested by Senator Fulbright?

Senator AIKEN. I would prefer an appropriation, but I realize, too, how difficult it is to get an appropriation with our House committee generally opposed. I don't like that way of doing business, Frank, but I would rather do it than not do the business.

The CHAIRMAN. Let me say one thing to Frank. I am not sure you understand. You said two or three times about the Treasury borrowing money. Actually, what this does is authorize the Development Loan Fund to borrow from the Treasury.

Senator LAUSCHE. Right.

The CHAIRMAN. This has nothing to do with it. It does not require the Treasury to then float a bond issue.

Senator HICKENLOOPER. They have to get it someplace.

Senator AIKEN. Anything that is available.

Senator LAUSCHE. If it has money available.

The CHAIRMAN. But this is the same as appropriation, you see. You keep emphasizing, Frank, an aspect of this, as if there is something very evil in this, in that it requires the Treasury to sell a bond for this purpose. It does not.

Senator LAUSCHE. Those are the facts.

The CHAIRMAN. If you appropriate the money under the present conditions the Treasury has to sell a bond, too.

Senator LAUSCHE. That is true.

The CHAIRMAN. There is no difference then.

Senator LAUSCHE. What we are trying to do——

The CHAIRMAN. There is something very special about this, and there isn't anything very special.

DIFFERENCES IN COMMITTEE CONCERNS

Senator LAUSCHE. I want to just point out this thing. We, by our arguments, are indicating that we do not have faith in the Appropriations Committee. We say, in effect, that while we are assigned to deal with foreign relations, we are going to usurp the functions of the Appropriations Committee, because we know better than the Appropriations Committee what should be done.

Senator MORSE. I would speak to that, Mr. Chairman.

The **Chairman**. Let me speak to that, and then I will yield.

I gave you the example of some 15 or 20 activities of this government. They are all borrowings, every one of them. They are not grants. We make that distinction to begin with.

I would not and have not advocated the granting of this kind of financing for a grant program, whether it is domestic or foreign; this is a borrowing authority and there are, I think, good reasons for it. But I will go further and admit that as I said a moment ago, I don't think in the beginning our Government was created and set up with the idea of dealing with foreign relations very much. We are made up, the House even more than the Senate, of people who represent small contingencies spread all over the United States, and their major interest is not the foreign field.

In the Third District in Arkansas, I will guarantee that out of its 300,000 people there are not very many that are particularly interested in this program. If I want to be reelected year after year as a Congressman from the Third District from Arkansas, I wouldn't specialize in foreign aid, and I think this goes all over.

This is no reflection upon the intelligence of the members of that committee. But the nature of our system is such that the members of the Appropriations Committee, especially in the House, are people who are not particularly interested in this kind of activity, and this is no reflection on their intelligence. It is merely an observation about the facts of political life, and that is all.

In support of this theory, if you go back and look at the history of what happened year after year, certainly in the 15 years I have been here, almost invariably whatever the Senate Committee on Foreign Relations and the Senate recommend as being wise in this field, the Committee on Appropriations of the House has just cut it out. The most recent example, as I said, was the one 2 years ago. In the face of President Eisenhower's own recommendation, and the 2- or 3-to-1 vote of the Senate of both parties, you can see what they did to it. This is a recent example confirming what I think is the truth.

Senator **Lausche**. I think what you have said confirms the statement which I made; that is, because you have been disappointed in the moneys allocated by the House committee, you want to set up a method in which the Appropriations Committees will be circumvented, and I do not think that is sound.

Senator **Morse**. Let me speak to that, Mr. Chairman.

ROLE OF THE APPROPRIATIONS COMMITTEE

The **Chairman**. The Senator from Oregon wishes to speak.

Senator **Morse**. I want to speak about that because I never thought I would live so long as to hear Frank's argument to this committee, but it shows the kind of job that has been done on the Senate.

You are talking about a matter on which I have tried to be a student the past several years as to what is happening in the legislative process in the Senate of the United States, and I think it is about time we face up to it.

You talk about the Foreign Relations Committee usurping the functioning of the Appropriations Committee, when the reverse is what has happened. In the past decade the Senate Appropriations

Committee time and time again has usurped the legislative functions of the legislative committees.

If you take the time to study the history of the setup of the Appropriations Committee, it was never created to be a legislative policy-forming committee.

The legislative policy was to be formed by the legislative committee, and the Appropriations Committee had the obligation of appropriating the funds to carry out the policies determined by the legislative committees.

Now, we have gone so far away from that that we now get from the Senator from Ohio this argument that we have to face up to.

I know the sincerity of purpose of the Senator from Ohio, but I respectfully submit he is not aware of this contest, and it has reached the point of a contest now in the Senate of the United States in regard to this jurisdictional dispute on many phases of foreign relations legislation, the Foreign Relations Committee and other legislative committees as well. I have spoken on it in the past several years several times on the floor of the Senate.

I think, Mr. Chairman, if you do not stop allowing the Appropriations Committee to function as a super-legislative committee, the time will not be too far distant when you might just as well make us subcommittees of the Appropriations Committee.

HOUSE COMMITTEE HAS THWARTED SENATE PLANS

The CHAIRMAN. If the Senator will yield, I want to say in defense of the Senate Appropriations Committee that in this field they have been very good. Actually the whole House, the whole Senate, the Senate Committee on Appropriations, and the Senate Committee on Foreign Relations have been thwarted time after time by the Appropriations Committee of the House.

Senator MORSE. That is true. I am almost through, Frank. That is true only to a degree, Mr. Chairman. I do not think that the record of the Senate Appropriations Committee in recent years is anything to brag about.

The CHAIRMAN. It is better than the House.

Senator MORSE. It is better than the House.

I want to point out again what the President said in his 1957 message:

> I believe this financing mechanism is well suited to the character of the Fund.

The CHAIRMAN. That is right.

Senator MORSE. You cannot interpret that, in my judgment, any other way than as a recognition of the principle the Senator from Arkansas is arguing for in this committee.

Now, it is for us to decide what the legislative policy should be. It becomes the duty of the Appropriations Committee to proceed to appropriate the funds to carry out legislative policy.

The Appropriations Committee was never designed as a veto check on a legislative committee. If you will study the history of the Appropriations Committee and our committee setup, you will see that.

The last point I make, gentlemen, is that I think what you really have before you is the controlling question of which setup is going to strengthen America's foreign policy abroad, and strengthen our standing in the countries where we have to win this fight for freedom. I happen to think the longtime approach that the Senator from Arkansas is proposing is much better than a year-by-year approach that gets us into the very difficulties to which you refer, not only with the House Appropriations Committee, but the Senate committee, too.

CLEARING HOUSE ON PUBLIC EXPENDITURES

The CHAIRMAN. The Senator from Ohio?

Senator LAUSCHE. Mr. Chairman, I respectfully disagree with what the Senator from Oregon has said. My understanding is that an Appropriations Committee has been created by the Congress for the purpose of being the central clearing house on matters of public expenditure.

It is supposed to be informed on the fiscal situation prevailing in the country, and it has to determine how much money shall be allocated to the various authorizations that have been made by the many committees of the Congress, of the Senate.

If the Senator from Oregon is correct, then any committee which has been disappointed by the action of the Appropriations Committee would be justified in setting up machinery that would circumvent the authority of the Appropriations Committee.

If the Foreign Relations Committee can do what is suggested, then every other committee can follow a similar course. The net result would be that the committee that is presumed to know the fiscal situation would be bereft of the responsibility that has been placed upon it.

There is one sum of money available. The Appropriations Committee knows best how much money there is. It knows the fiscal situation, at least presumably, better than we know it.

We are supposed to know the foreign relations problem. They are supposed to know the fiscal problem, and I think that right now, with the fiscal situation that prevails, we had better be paying a little more attention to what the Appropriations Committee says.

The CHAIRMAN. Frank, I respectfully disagree with that analysis. Actually, the function of knowing how much money, and the needs, I would say is more in the Finance Committee than it is in the Appropriations Committee.

The function of the Appropriations Committee is to carry out the policy that the Senate has determined in its authorizations. I do not agree that that is the function of the Appropriations Committee at all.

VETO ACTION ON POLICY

Senator MORSE. May I add one point that Frank is overlooking? I respectfully suggest that the one point that the Senator is overlooking is the veto action the Appropriations Committee takes on policy.

The CHAIRMAN. On policy.

Senator MORSE. When the Appropriations Committee, Senator, cuts a $250 million authorization to zero, it is vetoing legislative policy, and it never was set up to do that.

Now, it has the duty, sure, to parcel out what is available for the time being. I am not quarreling with that. But it cannot follow a parceling out procedure that functions as a legislative veto to a legislative committee. It was never designed to do that. If you will study the action of the earlier Appropriations Committees, they would call a whole legislative committee into their meetings and they used to sit down and they would talk with the legislative committee about the problem that confronts them, recognizing that they have the duty to do the best they can to find as much funds as they could to carry out the legislative authorization. They have not done that for years. They have by accretion taken unto themselves this veto jurisdiction, and they ought to be checked on it.

The CHAIRMAN. The Senator from Vermont.

SWITCH FROM GRANTS TO LOANS

Senator AIKEN. I think in our discussion of methods we lose sight of the purpose of the Development Loan Fund, which is to get away from direct appropriations for grants. As we switch to loans, we naturally should reduce the amount of money available for grants, and I think we will probably do it this year.

The CHAIRMAN. That is right.

Senator AIKEN. If we authorize, say, a 3-year extension of the Development Loan Fund——

The CHAIRMAN. That is a very good point.

Senator AIKEN. It is the main point in my view. And it has more public appeal.

The CHAIRMAN. That is a point I overlooked, certainly to at least stress, and the Senator is quite right. Let us assume for illustration that we did authorize $1 billion a year for 5 years.

Well, next year your bill would come in and would be a billion dollars less. It ought to come in with $1 billion less for appropriations.

Senator AIKEN. I think we should shift the emphasis to loans even if we have our fingers crossed when they make the loans, because we went through it with the Export-Import Bank and with the Farmers Administration expecting to have heavy losses. And as they did develop, like our local areas in the United States, they found they gained the ability to pay back on the loans.

The CHAIRMAN. That is right.

Senator AIKEN. We are bound to get something back.

Senator LAUSCHE. That is one of the things I am trying to avoid.

The CHAIRMAN. I want to emphasize to the Senator from Ohio that he heard me mention some of the very successful programs that this Government has supported by this program. Take the Reconstruction Finance Corporation; it has been maligned in many quarters. They finally liquidated it here, and when you excluded the subsidy which the Congress directed it to pay, and should not be charged against it at all, take its lending activities, the best the Treasury under this administration could show was only $30 million as profit.

This went on for years. It was badly represented in the press, and many people picked at it. They have liquidated it now, and at my request, when I was chairman of Banking and Currency, Mr. Larry Robbins reluctantly gave me a report that looked like it showed $330 million profit.

Take the Home Owners Loan Corporation, the same type of thing, financed in the same way; it ended up with a substantial profit. Every one of these, the Home Loan Bank Boards, the Federal Deposit Insurance Corporation, was started in that fashion. It now has over $1 billion in its treasury, about $1.3 billion or $1.4 billion, and it has paid back every cent that was borrowed under this evil scheme that you are thinking about. It paid back every dime with interest to the Federal Government, one after another. These have not been improvident operations which have been imposed upon the American people. They are some of the best programs we have ever developed, financed in this same fashion.

ONLY A PERMISSION TO MAKE LOANS

Senator **Lausche**. There may be a significant difference, that here we are dealing with soft currencies, while in all the other enterprises, it was hard currency. What I am trying to avoid is the very thing that you pointed out. If we finance $1 billion through this borrowing, we make available an additional $1 billion to be spent by the Congress in its appropriation procedure.

The **Chairman**. I do not follow that. How does that happen?

Senator **Lausche**. The budget will show $70 billion; $700 million of that is to be spent for the Development Loan Fund.

The **Chairman**. Well, you appropriate it.

Senator **Lausche**. Yes. That means $69.3 billion is left for other purposes. But now we are going to take out this $700 million and finance it by direct instructions to increase the public debt.

The **Chairman**. You do not describe that accurately, Frank. This is a permission, an authority.

Senator **Lausche**. It is a permission, but under the status of the financing, it means that you have to sell bonds.

The **Chairman**. In the first place, you do not have to do it until the loan is made, and you need the money, and—you can ask Dillon or anyone else—the projects, if you take them year by year, will actually call and have need for some $200 million or $300 million for this, and they won't borrow money from the Treasury until they need the money.

Senator **Lausche**. May I ask you this question? If you take this $700 million out of the budget in the calculations that will finally be made, will not the Congress say that there is $70 billion available; $700 million was taken out, which is going to be financed in a different way, and therefore we have $700 million more to spend?

The **Chairman**. I do not know why they would. It would be irresponsible if they did.

Senator **Lausche**. That is just what is happening. If it is irresponsible, that is just what is happening.

Senator **Aiken**. Not in the amount of appropriations, if the amount of appropriations is reduced.

The **Chairman**. If we do not authorize that $700 million appropriation they certainly will not appropriate. That would be an offset against whatever authority is put in.

Senator **Aiken**. We anticipate they are going to lend $300 million of it; it means that you could cut off $300 million, which would be used as grants or in other ways.

Senator **Church**. Mr. Chairman, I would like to ask a question as to the mechanics of this amendment.

Senator **Aiken**. This $700 million is included in the $3.9 billion anyway.

The **Chairman**. It is, yes; sure it is.

MECHANICS OF THE PROGRAM

Senator CHURCH. Let us suppose that in 1960, if this amendment were adopted as now written, the Development Loan Fund is authorized under the terms of the amendment to borrow $1.5 billion from the Treasury.

The CHAIRMAN. From the Treasury.

Senator CHURCH. All right.

Let us suppose that in actuality they cannot prove out projects of sufficient feasibility during that length of time, so they only borrow $500 million in 1960.

The CHAIRMAN. That is right.

Senator CHURCH. Then, for example, we go into 1961, and the program is now well advanced and moving along, and they find that they can borrow the full $1.5 billion.

The CHAIRMAN. They can lend it.

Senator CHURCH. They can lend it.

Now, they go into 1962 and the program has expanded to the point where they would like to go back and pick up that $1 billion that was authorized in 1960.

The CHAIRMAN. That is right.

Senator CHURCH. Would the mechanics of the program allow them to go back——

The CHAIRMAN. That is right.

Senator CHURCH [continuing]. Or does it merely mean they could then go back and pick up what they did not use in 1960?

The CHAIRMAN. That is correct.

Senator LAUSCHE. Is it cumulative?

The CHAIRMAN. That is correct. It carries for the full period. This is an authorization to borrow from the Treasury for the full amount.

Senator CHURCH. I see.

RIDICULOUS SYSTEM OF BOOKKEEPING

Senator KENNEDY. Is this year's $700 million listed in the appropriations in the budget?

The CHAIRMAN. That is right.

Senator KENNEDY. Therefore, can it be appropriated?

The CHAIRMAN. Oh, it would be eliminated. The $700 million for this year will come out of this bill as an appropriation.

Senator KENNEDY. That is right.

The CHAIRMAN. And an authority for an appropriation; that money would not be appropriated.

Senator MORSE. It is one reason why you need a capital budget bookkeeping system.

The CHAIRMAN. Of course, our system of bookkeeping is ridiculous because we treat investments just like expenditures.

Senator KENNEDY. If we do not adopt the Fulbright amendment this year, we will appropriate $750 million.

The CHAIRMAN. That is right.

Senator KENNEDY. If we do not adopt it, it would not bring it up to $700 million or what they actually loaned, or what they borrowed. Or would the whole $700 million be in it?

Senator CHURCH. You mean in the budget?

Senator KENNEDY. Not in the budget.

Mr. MARCY. For this year the language is such that the $700 million requested by the President will be in the form of an appropriation, if the Appropriations Committee wishes.

The Fulbright amendment says in effect that an additional $800 million can be available, so for this fiscal year 1960 there would be a total of $1.5 billion, as for each successive year. But so far as this year is concerned, the $700 million appropriation would be there, and an additional $800 million would be available, if there was a demand for it, by borrowing from the Treasury.

Then the next fiscal year, 1960, a maximum of $1.5 billion could be available by borrowing from the Treasury.

The CHAIRMAN. From the Treasury. I had forgotten this. It could be the other way if there is any desire to do this.

Mr. MARCY. Yes, that is right.

The CHAIRMAN. Since there is already such amount in the budget there is no use taking it out.

EXAMPLE OF INDIA

Senator KENNEDY. We have been talking about the problem of continuity, and I agree with what Senator Morse and Senator Fulbright said. I would also like to say a word for the amount the chairman has stated.

I do not think, looking at this chart with respect to the Development Loan Fund—on page 11 it talks about the recommendations made by the Committee for Economic Development, which suggested in a policy report issued in April 1957—that an outlay of $1 billion a year for the next 5 years, in addition to then-current U.S. economic assistance programs, would be a "desirable and necessary investment."

In May 1958 the National Planning Association called for a U.S. Government program with $10 to $20 billion in capital for use over a period of 5 to 10 years to finance basic public investment in underdeveloped countries. In the spring of 1958, the special studies project of the Rockefeller Brothers Fund echoed the recommendations of the International Development Advisory Board made the year before when it called for "substantial" increases above the present level of appropriations for development financing.

If we look at what the problem in India alone is going to be, as far as repaying its World Bank loan, beginning in 1962, repaying some money to the International Monetary Fund, with the recommendation we are going to double the population in 40 years, I do not see how the United States can meet its responsibilities without having this fund available.

The CHAIRMAN. Another thing that is likely to happen: if we do not, the pressure is going to build up, and we are going to come in with special bills, I think, which is far less desirable and businesslike and has already happened in several instances.

The Senator from Massachusetts has had that. We have had other instances in which you get into a real crisis, and then you bring a special bill in and say, "We have a crisis for India."

That is a much less businesslike way than to put enough in so when they really need it they come in and take it out and it follows the regular procedure. I can predict almost certainly that if we do not do this there will be special legislation to try to deal with India because the Western people—our own Government, the administration, the Executive—are, I think, determined not to let India go by the board during the next few years if they can help it for fear that if they do all of Asia and the Middle East will join the Communists, and it is too dangerous to our security to permit it.

I think it is the policy of this administration and of the Democrats, too. This is not a partisan matter. I think both of them, when the crisis gets bad enough, would do that, and this is a far more orderly and businesslike way than to do it on an emergency basis.

Senator KENNEDY. India is preparing in the next few months its next 5-year plan, and a good deal will depend on what the United States and Western countries do. I think if the Congress would take the leadership you would see a better effort in India.

Senator MORSE. That is what I meant when I said "in talking about our foreign policy."

PRESIDENT'S POSITION

The CHAIRMAN. Let me come back to another thing. I know the Senator from Ohio thinks a great deal about this. I talked to Mr. Dillon, who, as you know, is not an impractical man. He is by profession a banker, and I do not like to quote him, certainly in public, because he is part of the administration and to a great extent he has to be guided by what the final decision of the President is.

I know that he thinks this is the preferable way to finance this. But he sat in a meeting, and there were the Budget Bureau, Mr. [Maurice] Stans, and the Secretary of the Treasury, and he; they were two to one against him. The final decision on this was the President followed the Treasury and the Budget.

That letter, and the President's thinking, are directly against his own thinking. The President's was what we read to you in 1957, and only 2 or 3 weeks ago in a press conference, Scotty Reston of the New York Times asked him about these programs. The President, out of his own heart, without being there with the Secretary of the Treasury, endorsed this almost word for word. I mean he did not call it the Fulbright amendment, but he repeated almost exactly what he said in his 1957 message, that it should be long-term and given continuity, and everything else about it.

But then he gets down—and I can understand that, and you can, too, as a practical matter. Bob Anderson has just been scared to death because he could not sell his bonds, and rightly so. I have great sympathy for Bob. This thing has gotten out of hand.

I can go into the reasons. You remember the Banking and Currency Committee tried to raise a red flag, and George Humphrey ridiculed us and said that our raising the question——

Senator LAUSCHE. What was the incident in which you tried to raise the red flag?

BANKING AND CURRENCY HEARINGS

The CHAIRMAN. We had a hearing in the Banking and Currency Committee in 1955, and said that the stock market had gone up over 50 percent.

Senator MORSE. It was our stock market investigation.

The CHAIRMAN. I was chairman then, and we had hearings. George Humphrey came before our committee and said that it was very dangerous to have the hearing, to have these studies. He said public confidence is a very delicate matter, and this hearing is almost comparable to a man hollering "fire" in a crowded theatre. That was his language.

Senator MORSE. That is right.

The CHAIRMAN. And Homer Capehart took after me and went on television with the commentator—what is his name—who was tipping people on stocks——

Senator KENNEDY. Winchell.

The CHAIRMAN [continuing]. Winchell, and condemned me and the committee that I was trying to undermine Eisenhower prosperity. That was the language he used. It became a political squabble, and we finally got nowhere.

We had testimony. It is a good record, and I recommend you go and look at it. We had [Bernard] Baruch, and [John Kenneth] Galbraith, and [John] McCloy, and we had quite a number of people, but it came to nothing because the administration was determined against it.

They disagreed with everything that I and the others said. This was shortly after the 1954 bill which gave a tremendous stimulus to capital investment and the economy took off. At that time you did not have any trouble selling Government bonds at a far lower interest rate, and you created a psychology as a result of this that things are just going up and up and up, and anybody is a fool to sit with a Government bond.

I agree. I do not minimize the importance of it, and I have sympathy with Bob Anderson; but I am not willing, so far as my own vote goes, to sacrifice what looks like a very major interest of this Government in its struggle to survive against the Communists in this particular difficulty. I think it is a difficulty. I have no doubt that this country can solve this one. We certainly are far from bankrupt.

We have lots of resources. The incentives to save in the form of Government bonds have been destroyed, and part of it goes back to that period, in my opinion.

Senator MORSE. Mine too.

The CHAIRMAN. I recommend that you read those hearings if you think that is not right. They are printed hearings.

GRAVE FISCAL POSITION

Senator LAUSCHE. Frank Carlson has been a chief executive responsible for fiscal responsibility, when the President listened to his Budget Director and his finance man, and unless he did not he would soon be running into the gravest sort of trouble.

While I was Governor for 10 years I felt that cooperation between my finance director and me was my principal responsibility. I cared not who my directors were, except the man who was in charge of finances, and I relied mainly upon him. I can well see why the President says, "I will listen to my Budget Director."

The CHAIRMAN. Well, he did.

Senator LAUSCHE. And I think we are in graver fiscal position than the Senator from Arkansas——

The CHAIRMAN. That leads me to say there is a difference of opinion as to the longtime vision of the preceding Secretary of the Treasury.

He is the man responsible for getting us into this shape. It is not Bob Anderson; he has just inherited it.

Senator MORSE. May I say something else in your defense, because I do not like to see you sit here and testify against yourself wrongfully. When you talk about the reliance you put in your Budget Director, I refuse to assume that you let him do your thinking for you.

Senator LAUSCHE. That is true.

Senator MORSE. You had your own value judgment.

Senator LAUSCHE. You know that without my affirming what you said.

Senator MORSE. What we are saying here is that we ought to pass judgment as a committee on whether or not Dillon's judgment is preferable in this matter of foreign relations to that of Stans' or Anderson's.

CIRCUMVENTING THE APPROPRIATIONS COMMITTEE

Senator HICKENLOOPER. Here is what we are doing, Mr. Chairman, at least so far as I see it. We are completely circumventing the Appropriations Committee to the tune of $1.5 billion for a year. Now, are we justified in doing this in this case over a long period of time? I am not sure we are. I am not sure that we are not making a mistake.

I do not know what the world situation is going to be 3 or 4 years from now. I do not know what it is going to be 2 years from now.

I do not want to see us tied up in a 5-year program, although the chairman has said that he is willing to consider the suggestion of Senator Aiken that it be cut to a 3-year program.

But in any event, if it is a 3-year program, that is $4.5 billion, plus $800 million, which is $5.3 billion, and we are completely circumventing the Appropriations Committee and the appropriation function by this legislation.

Probably all of us have supported the advancing of money and borrowing of money for various purposes; but I think there is some substantial difference. Because it has been done in the past does not necessarily mean that per se, therefore, it should be done in the future.

I think if we decide there is a time to call a halt to this kind of business in certain circumstances we ought to consider the circumstances and call a halt regardless of whether we have supported a similar kind of activity in other and different circumstances in times past.

I have been for a Development Loan Fund for a number of years. Senator Fulbright has, I know, and I have thought for years that we should get away from grants and gifts and get down on a basis of even soft loans. We have discussed around this table over the years the methods of arriving at a program of soft loans, which would not primarily be calls upon the credit of a country. In other words, it would not impair the basic credit of that country, but would be extended over a substantial period of time.

I am not against the theory, but I believe the time has come to call a halt on extending our circumvention of the appropriation function of the Congress over a long period.

Time and again we hear this argument. I have reluctantly gone along on occasions and I have voted the other way on some occasions, but we have heard this argument that an authorization bill is not an appropriation bill; it is only the upper limit.

It is up to the Appropriations Committee to determine how much money we can afford to put into this thing, or to recommend to both bodies how much they should pass. Nevertheless, after the authorization bill has been passed then the argument suddenly changes on the floor and you say, "Of course it has been authorized; it ought to be appropriated."

Well, I want to see this Development Loan Fund encouraged. Last year I thought it should have been the full amount that was asked. I was sorry the House cut it down. This year I can go for a greater amount of Development Loan funds, but I want to see a reasonable limitation on this thing, and I do not believe in turning it loose under all the circumstances of the uncertainties of the underdeveloped countries, and so on.

The CHAIRMAN. I know Senator Green and others have appointments. It is nearly 12:30. I do not think we ought to vote on it now.

Senator MORSE. I would like to make a motion.

The CHAIRMAN. Just a minute. I suggest that we all think this over and tell our colleagues to come tomorrow prepared to vote. We will be here at 10 a.m. and 3 p.m. tomorrow, and we have to get to the voting stage.

If anybody wants to get proxies, notify your colleagues.

Senator KENNEDY. Ten in the morning?

Senator MORSE. I would like to leave a motion on the table along the Aiken-Church lines of discussion. Considering the pros and cons, my motion is that the Fulbright proposal be modified and the program be for $1 billion for each of the 3 years.

The CHAIRMAN. I hope you can make that at least 5 years to emphasize the continuity. The amount, I think is——

Senator MORSE. One billion dollars for 5 years.

The CHAIRMAN. That would be easier to accept. The continuity means that we are in this to stay. You make the motion, and it is pending, and everybody will come ready to vote tomorrow.

We had better adjourn now; we have about exhausted the discussion.

Mr. MARCY. Mr. Chairman, while you are here could I remind you that the meeting tomorrow will have to be in the new building. There is going to be a luncheon here tomorrow.

The CHAIRMAN. We will meet in the ante-room in the new building at 10 a.m.

Mr. MARCY. At 10 o'clock over there, and the afternoon meeting will be here.

The CHAIRMAN. Ten o'clock in that building. Will the staff call each office in the morning and remind them of that so they will not come over here.

[Whereupon, at 12:30 p.m., the committee was adjourned to reconvene at 10 a.m., the following day, Wednesday, June 10, 1959.]

BRIEFING ON AFRICA

[EDITOR'S NOTE.—The Subcommittee on African Affairs was created after the Department of State won authorization for a separate Assistant Secretary for African Affairs. With some reluctance, Senator John F. Kennedy became the first chairman of the subcommittee. His failure to hold many meetings of the subcommittee became a campaign issue during his race for the presidency in 1960. Paul Nitze, who had been director of Policy Planning in the State Department under the Truman administration, became Assistant Secretary of Defense for International Security Affairs in the Kennedy administration.]

TUESDAY, JUNE 9, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON AFRICAN AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 4:15 p.m., in room F–53, U.S. Capitol Building, Hon. John F. Kennedy (chairman of the subcommittee) presiding.

Present: Senators Kennedy and Church.

Also present: Mr. Garland Farmer.

Mr. Marcy, Mr. Henderson, Mr. Newhouse, and Mr. Cohen of the committee staff.

Senator KENNEDY. We will start. Why don't you proceed, then?

STATEMENT OF PAUL H. NITZE

Mr. NITZE. Mr. Chairman, this trip started on April 10, and lasted until about May 15.

It was under the auspices of the Council on Foreign Relations, who in turn were given a grant by the Carnegie Corp., with the purpose of sending 10 members of the Council on Foreign Relations to Africa so that the membership of the Council would be better informed on Africa than it had been in the past.

Each one of the 10 people sent looked into a different subject matter and had a somewhat different itinerary.

PURPOSES OF THE COUNCIL'S TRIP TO AFRICA

I was asked to look into basically political questions, into the relationship between the tribal organization and party organizations, the military, personal leadership, how the dynamics of these political factors might interrelate, and then certain other questions, the probable future of the French community in French West Africa.

We went, first of all, to Dakar, which had been the administrative center of French West Africa, and is the central point in Senegal.

There we saw largely the French colonial people, who had been running French West Africa.

We found them in a very unhappy frame of mind. Here they had been trying to do their best with respect to French West Africa, and this new community was put into existence by de Gaulle's proposition for this new arrangement of the French community into which all the 12 parts of French West Africa would become virtually independent, but joined together within a community with France. There are 13 members of the community, and it is joined together by the personality of Mr. de Gaulle, not by being part of France.

Mr. Debré [1] is just one member of the Executive Council, along with the representatives of Senegal, Mauritania, French Sudan, and so forth and so on.

The principal political discussion while I was there was on the subject of what the relationship would be between each one of these separate countries and the French community, and then these various confederations which were being discussed within the French community, the confederation of Mali, which is to consist of Senegal and the French Sudan. They hope that Mauritania may be a part of it, and that somebody else will join them.

TRANSITIONS IN GOVERNMENT

They were just moving the French administrators out of the municipal offices and putting the principals of the confederation of Mali into those offices while the Frenchmen were moving into the little cubbyholes. The French administrators didn't know quite how they were going to be able to relate to the ministers of Senegal and the ministers of Mali and the French confederation—who was going to do what with whom. It was confusing and disturbing.

I got the impression that the Senegal African leaders were at the moment more interested in their status, the pecking order in which they might be, than in the administrative problems which went with their offices.

They weren't yet addressing themselves seriously to the economic problems, the administrative problems, the governmental problems.

They were addressing themselves more to their status in the new hierarchy of power. So you could not quite tell how this was going to mature in the future.

I think it might be worthwhile to say a few words about the history of this situation, the way it has developed.

I got the impression not only in Dakar but from the various other people I talked to in the various parts of French West Africa, that from the African point of view there was only one possible politic, and that was an anti-colonial politic; that for the Africans in this area you could not run a political party or have a political position which was not based on independence and anticolonialism.

The political arguments between the various Africans were really as to method, not as to substance, as to how to achieve independence in what time period, through what means.

AFFILIATION WITH FRENCH COMMUNIST PARTY

Back in 1946, most of the men who are now leaders in the area met together in the Sudan and organized a party called the RDA, and the

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[1] Michel Debré became Premier of France in January 1959, succeeding Charles DeGaulle, who became First President of the 5th Republic.

Africans in control of Senegal were part of this group; Sekou Toure, now in command in Guinea, joined this party, and the top man in the Ivory Coast was also there.

When they organized this party they soon came to the conclusion that they were not going to get anywhere unless they affiliated themselves with some party in France. The decisions were being made in the French Parliament, and if they wanted to get speedy action and accomplish something they would have to get some support in France, therefore, they affiliated themselves with the French Communist Party.

So in 1948 this RDA was—I guess the word is associated with—the French Communist Party and they did make considerable progress toward independence or toward a higher degree of self-government, largely through the assistance of the French Communist Party during this period.

Then, by 1953 they came to the conclusion that this relationship was more of a liability than it was a help. The French Communist Party had its own internal problems in France; its interests were not necessarily their interests, and movement toward independence in Africa was being hurt rather than helped by this association with the Communist Party, so they then disassociated themselves from the French Communist Party.

The men who joined together to form this RDA Party did differ among themselves as to the appropriate tactics and strategy to accomplish independence.

Huophet Boigny came to the conclusion that the best line was the line of cooperation with France to get the maximum amount out of France, and then gradually evolve toward independence. But the Ivory Coast where he comes from is really the richest part of French West Africa, and if there were a differential in the French assistance in building the Ivory Coast up, then he might end up being the top man through this tactic.

Sekou Toure, I think, came to the conclusion that he should capture the most advanced, most radical position toward independence, and that he should dive into problems, not shy away from them, to hit this hard and capture the more radical side, which he did. So there was great competition between Sekou Toure and Boigny, and the people in Senegal were kind of in between.

THE "FRENCH COMMUNITY" PROPOSAL

When de Gaulle made this proposition to create the French community, he went around and spoke to each one of these places. He had one paragraph which was consistent in all the variations of his proposal, and that was that each of these places could have independence if they wanted it, but then they would have to live with the consequences of independence. The way he put this made it quite clear he was really threatening them that the consequences would be bad.

If they joined the community, then they would have virtual self-government. There would be only certain reserve powers to the community, as such; these were powers over foreign affairs, defense, and they would all be members of the French Franc Zone, and make economic policies which were consistent with the French Zone.

Sekou Toure, following his policy of taking the more radical course, told his people to vote "no," and some 98 percent voted "no," I guess the Ivory Coast voted 98 percent "yes," and in the other areas someplace in between, but largely "yes." So Guinea is the only one of these places that actually took its independence at that time.

Well, to summarize with respect to Senegal, this is rather a messy situation at the moment.

Dakar economically depended primarily upon its being the administrative center of the whole area. Senegal isn't a very rich place.

Now, Dakar no longer is going to be the administrative center of the whole area, so they are going to have some economic problems on that score.

This federation of Mali is a rather amorphous conception, not very well worked out, and I do not think these people are very clear in their own minds as to where they want to go.

I think they basically want to go toward a high degree of independence, with this relationship to the French community being very vague, almost similar to the relationship between the members of the British Commonwealth to the Commonwealth.

I think they conceive it as something no stronger than that.

The Ivory Coast, on the other hand, conceives of this as being a much stronger relationship. Mr. Boigny and his second in command would like to see France continue to give them a great deal of assistance. They would like to work closely with the French, but they also anticipate that they would, in fact, have substantive control over everything that counts.

POLITICAL SITUATION IN GUINEA

I think it is important to say that Sekou Toure is by far the most interesting in all these countries, a very powerful personality, a very impressive person to talk to.

He writes impressively. He is one of the few Africans I saw who has the capacity to make a decision and to carry it out and to consider what he is doing on a thoughtful basis.

Also, he has a political organization which seemed to me to be stronger than any of the other political organizations.

He has organized his party at the grassroots, down to the village level.

We traveled all through the brush, through the up country. When you go to these villages and meet with the local political committee, there isn't any doubt about it; he has the support of these people down at the grassroots level.

In fact, he has his party so well organized and has such complete control over this thing that it was possible for him to put through a program of suppressing the tribal chieftans.

This was a big political issue debated at length in Guinea, but finally they voted to suppress the chiefs. This they have done, and most of the chieftans in the villages agreed with the program because they had become politically isolated, because there was no doubt that this is where 99 percent of the sentiment was. So he no longer has this tribal problem that everybody else has.

His party is organized somewhat on the Communist theory of the party being everything and the government apparatus being merely a tool of the party. So the all-important decisions are first made in the party, and then they are executed by the governmental apparatus. A person's stature in Guinea depends upon his status in the party, not upon the offices he holds in the government.

I asked, for instance, to meet with Mr. Sekou Toure and his cabinet. I was told the next day the appointment had been set up to meet with Mr. Sekou Toure and the political committee, and that this was much more important than meeting with the ministers; and I think this is correct. The men who are members of the political committee—they sometimes call it the politburo—are the real center of authority.

Granted these people wear two hats. They not only are members of the political committee, but they also double as minister of this, that and the other thing.

Senator CHURCH. Wasn't the vote in Guinea about 98 percent against the de Gaulle proposal at the time of the referendum?

Mr. NITZE. Yes, I forget the percentage, but it is something close to that.

Mr. HENDERSON. Ninety-eight percent is correct.

Senator CHURCH. Ninety-eight percent, which would certainly bear out your statement that this man has an extremely effective and near unanimous control over the sympathies of the people.

Mr. NITZE. One gets the impression traveling around that it is an enthusiastic support and not a forced support.

Senator CHURCH. I wonder if it does not also reflect in the fact that where conditions are very primitive, government is very likely to operate on such a basis. In other words, there is very little opportunity for substantial or enlightened opposition views to circulate and to gain momentum.

Mr. NITZE. Well, I think in part that is so, due to the fact that Sekou Toure and his fellows believe in a one-party system; so they have addressed themselves to eliminating the opposition.

Just before the election they took over the opposition party. It was not anywhere near as strong as their party, but they finally crossed the line and became members of Sekou Toure's party. And I think he would take a very dim view of anybody trying to organize an opposition party.

Senator CHURCH. Yes.

Well, aren't the newly formed governments in that area of the world very likely to become authoritarian?

Mr. NITZE. I think they are. They take a rather dim view of many of the standards which we put great store by.

Senator CHURCH. Let me ask you this: In your opinion, in view of the conditions that do in fact exist in these countries, is it realistic for us to expect free government as we know it here or in Western Europe, to be established at this time or within the near future in these African lands?

FREE GOVERNMENT IN NIGERIA?

Mr. NITZE. The only place that I went to where there is a possibility it could work for a period of time in Nigeria, because in Nigeria it is very hard to see which, if any, of these three parties could, in fact, establish itself with sufficient control over the three regions. So it looks as though they are going to have a coalition government, with one party being in control of each of the three areas, and the Federal Government will operate by a coalition of some kind.

I am concerned as to whether the government in Nigeria is going to be strong enough to maintain itself, but there is a possibility that it might.

Certainly the British are hopeful that this can work for some period of time. I tend to be skeptical about it. But I am not sure that I would be willing to make the generalization that nowhere in Africa can anything but a one-party system work. The other things do not work too well either, if you follow me.

Senator CHURCH. Yes.

MILITARY TAKE-OVER IN THE SUDAN

Mr. NITZE. In the Sudan, what emerged there after the collapse of the democratic system that was established when the military took over, is even weaker leadership than you would find in some of the places that run democratically; it is unstable in the Sudan. So I came away with a feeling that what is much more important in these African countries than it is elsewhere, perhaps, even though it is important elsewhere, is the leadership.

You have to have a strong leader. After all, they have not much national tradition; they have not much party tradition or political tradition. The tribal traditions are on their way out in most areas, so what do you have? What do you have as cement to hold the situation politically together?

Senator CHURCH. Those tribal traditions were all authoritarian, too, weren't they?

Mr. NITZE. Not all of them. Some of them are authoritarian, and some of them are a kind of community tradition where they did not have a chieftain with true executive powers. They merely had people who were senior advisors in the tribe, and didn't really have an authoritarian organization in many of the areas.

In those which have more Mohammedan influence it is apt to be a line organization, and in other tribes it is quite different.

COMMUNISM IN GUINEA

One point I wanted to touch on was the problem of communism in Guinea. I think while we were there there were only three Americans in all of Guinea—Mr. Rindon, the charge d'affaires, and his assistant, and a diamond buyer who was interested in buying diamonds and nothing else; this was the total American contingent in the whole country.

The hotel was filled with East Germans, Czechs, Poles, Bulgarians, Russians, and so on. The place was swarming with Communists of one variety and another.

After they attained independence, Sekou Toure said that he would welcome continued help and advice of such Frenchmen who would want to stay with him, but they would have to take Guinean citizenship and give up their French citizenship. Some did that, but I believe those who did that were largely French Communists and not anything else.

So they have some Frenchmen who are advising the government, but I believe at least some of them are French Communists and not anything else.

So both within the government and surrounding the government they have all this Communist influence; also, these people were educated largely in Paris, in a climate which was certainly Marxist and tended toward being Communist.

Sekou Toure I believe not to be subject to Russian discipline in any way. I think he is a thoroughly independent fellow, sympathetic to Marxist ideas but not really amenable to Communist ideas, dedicated to African independence and progress, and leery of having his African ambitions subordinated to Communist ambitions.

It is for this reason that I think he is not a Communist, but I should think some of the men down the line were more apt to be under Russian and Communist influence. So there is a real problem as to how one addresses the Guinean situation.

In some ways it seems to me to be comparable to the situation which must have existed in China when the Chinese Communists were holed up in the Yenan. Everybody who came back from that experience reported that this was quite a group, that these people really knew what they were doing. This was uncorrupt; it had some degree of vision; and then the question was whether it was really going to be subordinate to Russian influence or not. Those who advocated trying to address this group in Yenan were all tarred with the accusation that "You played with Communists."

This might very well happen in Guinea. It might become the spearhead of a Communist movement in Africa.

SPOILING THE COMMUNIST GAME

On the other hand, it would seem to me that almost the most important objective of policy with respect to Africa is to do what one can do to prevent that from happening. In my view, there are things that could be done which would be helpful in spoiling the Communist game, and playing on what I think are Sekou Toure's real ambitions, which are contrary to some of the Russian ambitions, and to keep this from happening.

One of the difficulties involved is that if the United States addresses itself to the Guinean question, then what does de Gaulle say? What do the French say?

Certainly in Senegal and Dakar I got the view that we ought to keep our sticky fingers out of Guinea. They think there is nothing we could have done in the past to make the situation better than it is, and there is nothing we can do in the future; it is just bad for us to do anything in Guinea.

The Governor of the Ivory Coast, who is a Frenchman, took the opposite view. He said, "There is nothing now that we French can do in Guinea. If there is anything that the United States could do you certainly ought to do it."

Then I asked him about Mr. de Gaulle, and he said, "Well, I would take this matter up with Huophet Boigny. He would see it the same way I see it, and I think Mr. de Gaulle would take seriously any views of Houphet Boigny, as he sees it, because he is dependent on him."

Senator KENNEDY. Who is he?

Mr. NITZE. He is an African, one of the men who formed the RDA party in 1946, and who is the leader of the party in the Ivory Coast. He is now to be the Prime Minister of the Ivory Coast, and has during the last couple of years been a Minister, through the last year a Minister in the French Government of de Gaulle. He is the man that de Gaulle relies upon.

Senator **Church**. I have seen his name in print a number of times.

Mr. **Nitze**. I think it is H-u-o-p-h-e-t B-o-i-g-n-y.

Senator **Kennedy**. You did not have a chance to see him?

Mr. **Nitze**. No, he was in France; but I did spend some time with the man who was going to be the Prime Minister.

U.S. ROLE IN GUINEA

Senator **Kennedy**. I do not want to interrupt you there, but you were saying there are some things the United States could do. When you say there are only three or four Americans in the whole town——

Mr. **Nitze**. In the whole country.

Senator **Kennedy**. Who are they? What do we have in the way of a diplomatic corps in Guinea?

Mr. **Nitze**. We have a charge d'affairs, and there is an assistant.

Senator **Kennedy**. Just two people?

Mr. **Nitze**. No secretaries.

Senator **Kennedy**. Just two Americans?

Mr. **Nitze**. Just two Americans. That is the lot.

The only other American in the country was a diamond buyer from New York who was trying to buy diamonds up-country.

Senator **Kennedy**. Were you about the first who has come since——

Mr. **Nitze**. No; a good many newspaper people had come through and were continuing to come through.

Senator **Kennedy**. I see.

Mr. **Nitze**. Olin Mathieson has an interest in a big alumina development which is taking place up-country in Guinea—in fact, a 45-percent interest in it, but it is completely managed by a French company, and they have 1,500 French technicians in addition to 10,000 African workers on this project.

It is divorcing itself from the French Government, and they are just operating this as a company. Their relationships with Sekou Toure are quite good because he wants this alumina development to proceed, and wants it completed, and $100 million is being put into it. But there are no Americans in its management.

Some of the Olin Mathieson people had been there a couple of months before, just to take a look at it. The deal was that the French would run it, and Olin Mathieson would put up its share of the money and get its share of the alumina.

Senator **Kennedy**. What sort of things do you think we beneficially could do now even at the risk of antagonizing de Gaulle?

Mr. **Nitze**. I think the first thing would be to build up a staff. You need at least four or five fellows who speak French well, because nobody speaks anything but French in Guinea. English is of no use to you.

Senator **Kennedy**. Do these fellows speak French?

Mr. **Nitze**. Beautiful French.

Senator **Kennedy**. Both of our fellows?

Mr. **Nitze**. Both of our fellows speak French but not good French. I thought you meant Sekou Toure and his people. Rindon was the charge d'affaires; he was a China hand. and speaks good Chinese.

Senator **Church**. During the Second World War the Army taught me to speak a very poor brand of Spanish, and then promptly sent me to China. [Laughter.]

Mr. NITZE. The problem, as I understand it, has been a problem of appropriations: the State Department had asked for a consulate in Casablanca or Fez, I forget which one of the two. They had not asked for anything in Conakry, because nobody could foretell that de Gaulle was going to make this proposition, and Guinea was going to vote No on it. The State Department had no plans for an embassy in Conakry, so when this happened they had no money, no funds, no way to do these things.

What they finally did was to not go forward with the Fez consulate, and to transfer those funds and send the two fellows to Conakry. So money was one of their problems, you see.

I really think that is a dreadful way to run it up there.

We don't address the crucial problem in Africa, because we haven't the money or the slots to put four or five good fellows in the place. I think this is exactly what has happened, and time is of the essence.

I think we have lost a great deal by virtue of not having been on the spot, not having had some mobility of action when this first took place. The upshot has been that the Communists moved in hammer and tongs.

Senator KENNEDY. The Russians have an embassy there?

Mr. NITZE. The Russians have an embassy now; they didn't when I was there. The Ambassador arrived just after I left.

But when the Guineans voted No, the French were furious, and they acted in anger.

THE FRENCH IN GUINEA

The French Government took out all their administrators right away; they took all the files out of all of the office buildings, the papers as well as the filing cabinets; and they took all the guns and ammunition and the uniforms as well, from the troops and police forces. They took some of the transmitting tubes out of the radio station, and the ambulances from the hospitals, and broke the toilets in the President's Palace and ripped the telephones out by their roots.

This was in anger; Sekou Toure said, "I am sure the French Government didn't direct all this to be done." But when a group of administrators have been working in a country and they are told to leave, and Guinea is to suffer the consequences of independence, then these fellows go beyond their instructions and they are hard to control.

But the upshot of that was that when the fellows took over independence they took it over under very difficult circumstances.

The French continued to pay the bills of the government employees for 1 month or 2 months—I forget which—but they took all the bank deposits out of the country and transferred them to Dakar, even the postal savings and loans, so there wasn't any money; no uniforms for the police, no guns, Sekou Toure said, "How can you maintain order in a country if the policemen go around barefooted and wearing these long native costumes? Nobody can tell who is the authority and who is not."

Then he tried to get this message across to us by telling Liberian Prime Minister Tubman what his needs were, hoping Tubman would transmit to us, which he did.

GUNS AND BANANAS

But we apparently were in no position to move with any speed, so he sent a goodwill mission to Czechoslovakia. The Czechs, of course, gave the Guineans all the guns, ammunition, uniforms and so forth they need and sent them off on the next boat. So there, the Communists are well installed to begin with. There is some difficulty about selling bananas, and the Czechs and East Germans signed up for 40 percent of the total exports of Guinea in barter deals; now most of the trade has gone to the Eastern European countries, and they are denying import licenses to those who want to import their stuff, except from Czechoslovakia and East Germany, and so forth.

Then the country gets filled with East German and Czechoslovakian technical experts who are trying to decide what kind of calico and what kind of nuts and bolts Guinea needs, and this is why the country is now overrun with Communists.

But I do not think this is the way in which one would ideally set the thing up to try to compete with this crucial problem.

Senator KENNEDY. I was told about the bananas and the guns when I was out in California, and I asked Mr. Porter, I think, who was in charge of the desk about it, and he said he never heard about the bananas.

Do you think that has become one of their myths or do you think——

Mr. NITZE. I am sure, because I talked to the planters who sell the bananas.

Senator KENNEDY. Are they all marketed in the French market?

Mr. NITZE. They are all marketed in the French market.

Senator KENNEDY. And would the French not buy?

Mr. NITZE. The French would buy, but initially the bananas were sold in this way: A planter in Guinea would send his bananas down to the port of Conakry, and put it on a ship to go to Marseilles; then it would be sold in Marseilles in competition with bananas from the Cameroons and the Ivory Coast and so forth, and whatever the net proceeds were after the deduction of freight would be paid to the planter.

But if a lot of ships were also in the harbor from other places, then there would be too many bananas in the market, and there might be a small return or even a negative return.

If there were not many ships there would be a good return. So the sale of bananas from Guinea was a very speculative kind of enterprise. If you were down there at the right time you got a good price; if you were down at the wrong time you got a bad price. The better planters managed their crops so that they had their crops down to port and at Marseilles at the right time, and they got good prices, while the native planters generally let nature take care of it, and their bananas would come when all the other bananas came; they generally got a poor price.

When the Eastern Europeans came around they offered to pay a fixed price of 27 francs a kilo at Conakry, and so all the bananas are taken from there. All the planters would rather sell at 27 francs a kilo than take the risk of getting good or bum prices at Marseilles. So it was not the French who had done anything to hurt this thing, but just the way in which the bananas had been marketed in the past, which was a speculative way.

The East German Government could not care less if it was politically wise to pay a fixed price of 27½ francs a kilo, and the East Germans will eat the bananas.

So this is a trading advantage that the Communists have in this kind of a situation.

POLITICAL, NOT ECONOMIC PROBLEM

Senator KENNEDY. What else could you suggest besides building up the Embassy?

Mr. NITZE. I think then these men would have to decide what particular things might be done.

I do not believe that the problem is one of massive economic development. This Olin Mathieson alumina project is very big, and this certainly is taking care of whatever the requirement might be for basic economic development.

Here the problem is largely a political one of trying to make it possible for them not to be absorbed by the Communist net. It might be that such things as helping them with a radio transmitter, with a printing plant—I do not know—might be more helpful.

There was a problem about rice. They were short a couple of cargoes of rice. I think the State Department has now gotten that done so rice is on the way under Public Law 480. There are things of that kind which might not take too much money, but require a degree of flexibility in the hands of those who have to compete with this Communist business, so they can move, so they have some tactical possibility. Otherwise I do not know how to handle it.

Senator KENNEDY. I do not really think there is an adequate excuse for our not moving; they did not have money out of the regular appropriation, because there are other appropriations, including the President's own fund where money could have been made available for a more immediate effort.

Mr. HENDERSON. Sir, is this part of a very large policy toward the entire African complex? Is this reluctance to move in Guinea really stemming from de Gaulle's fear that if Guinea succeeds to any measurable extent, the other areas will try to secure complete independence immediately?

Mr. NITZE. I think this was behind the viewpoint that was expressed to me in Senegal.

For instance, those fellows had exactly this view.

Mr. HENDERSON. Isn't our Government paying a great deal of attention to that?

Mr. NITZE. I do not know. I do not think they would put it quite in those terms. They would put it more in terms of what this would do with our relations to France rather than that this might stimulate the others to leave the French community.

FEDERATION OF SMALL COUNTRIES

Senator CHURCH. Did you discuss at all before I arrived the progress toward federation of these very small independent countries?

Mr. NITZE. I touched on it by discussing the Federation of Mali. I did not discuss the Huophet Boigny's competitive plan for a federation which would include the Ivory Coast, Volta, Dahomey, and Niger.

The Ivory Coast scheme is a very loose kind of an association.

They would propose an association which would meet once a year and would meet at each capital alternate years; the Prime Minister of the country where the meeting took place would be the executive agent of the federation for the succeeding year. This is not much of a federation.

Senator CHURCH. No.

Isn't a referendum to take place in British Cameroons for a merger with Nigeria?

Mr. NITZE. I think there is.

Mr. HENDERSON. Two referendums.

Mr. NITZE. In the northern and southern part. I think in the northern part they have decided they want to be part of Nigeria; in any case a referendum is not necessary, so the southern case is the issue.

This whole business of mergers and federations is important politically, because it bears upon the stature and the hopes for the future of each one of these fellows. It is not yet anything that has much substance to it. This merger between Guinea and Ghana, for instance, the initial communique makes it sound as though this were going to be a real federation, but then after they spend a couple of weeks working out what it really is going to be, it is an association between two sovereign countries.

Senator CHURCH. Yes.

Mr. NITZE. Directed more toward the political platform of being the kernel of a United States of Africa than to actually doing much right now.

As part of it, however, Ghana gave a loan of 10 million pounds to Guinea, so Sekou Toure got something out of it; but it still is going to be two sovereign countries in some form of association. It is not really going to be a federation.

Senator CHURCH. Well, ultimately don't you think this kind of thing is going to prove very necessary if these countries are going to become—I hate to use the term, but it is the fashionable term at the moment in Washington—viable?

Mr. NITZE. There are strong economic reasons for doing these things. But politically there are not as yet, because it would seem to me there is going to have to be some dominant figure, and he is going to have to be backed by a political organization of some kind, which will have to be dominant throughout the entire area and not just in one little part thereof.

FEAR OF TOURE

Senator CHURCH. Isn't it possible that Toure, as a former leader of the General Labor Union of Black Africa, might have a vehicle through that connection to head this kind of movement to make it effective?

Mr. NITZE. I think there is nothing that frightens Africans more than this possibility because he is one person who probably could do it. The Liberians, for instance, are very much worried about Sekou Toure for just this reason.

Mr. Farmer, you know much more about this than I, but as I understand it, Tubman and his boys have the coastal area pretty well organized politically. Back in the bush, they really do not have much of a political organization.

Sekou Toure believes if he wanted to he could organize all of the Liberian bush and have it, and there is nothing that Tubman could do to prevent him from doing it. He said, "This is why Tubman is scared of me."

I think the same thing might be true of Ghana, even though Ghana and Guinea are not contiguous. Still, if Sekou Toure starts organizing politically, I think Nkrumah would be somewhat worried about it, and I do not think Sekou Toure is going to play second fiddle to Nkrumah.

All of them speak as if it was just a question of Tom Mboya. But Tom Mboya has no organization. He does not have five fellows working for him in Kenya, so he has zero political organization. They would be perfectly willing to have him because he does not constitute any political threat to any organization.

But that would not be much of a federation if there is a man who is just a figurehead; the people who have the real political power are Nkrumah, Sekou Toure, and Boigny.

Senator KENNEDY. You seem to indicate that Sekou Toure is going to be the dominant figure in this whole area.

Mr. NITZE. I would not go that far. I think there is a possibility he might because he is a more vigorous fellow.

I was much impressed with his capacity. He has a small country, a poor country, and only 2½ million people; so far they sell only bananas, but they will have some alumina to add to their income, after this plant gets going. But it still is a small country compared with Ghana and Nigeria, 30-odd million people.

So it is hard to project what is going to count more—size, people, economic resources or just the toughness and internal consistency of a political man and his political position.

Of the two, I would bet more on toughness and political consistency of his position than I would on the economic resources and population of Nigeria.

I do not know, but this is a judgment on which I could be far wrong.

STABILITY OF IVORY COAST

Senator CHURCH. I have heard it said, if I am not mistaken, that Houphet Boigny—at least you knew who I was talking about—that his position is most unstable, and he is likely to be toppled out of power largely because of his very close connections with metropolitan France and close association with the de Gaulle government.

Mr. NITZE. Do you mean toppled out of power in the Ivory Coast?

Senator CHURCH. In the Ivory Coast. It is an imposition, just a kind of fringe group that is on top of the boiling pot; and it is quite likely he is not there to stay.

Is there any substance to that?

Mr. NITZE. I certainly had the impression while I was there that he was on his way out because he was planning to stay in France as Minister of the French Government. The man who already is the Secretary General of the Party was going to take over as Prime Minister, and he seems to me to have the real power in his hands, and Houphet Boigny is going to be a sort of traveler around international gatherings.

I am sure that Boigny saw the same thing, and this is why he decided that he was going to come back and become Prime Minister and strengthen his own political control over his own party.

My own view is that he could probably do it, now that he has made this decision; he can probably get away with it and he will be able to control his own party. But I do not think he will have much interest with the rest of Africa because they resent his playing with the French and getting the lion's share of assistance, and they are all sore at him for this reason.

Shall we move on to Nigeria?

Senator KENNEDY. Yes.

THE POLITICAL SITUATION IN NIGERIA

Mr. NITZE. The eastern region of Nigeria is really run by a man called Azikiwe, who is quite a politician. The phrase generally used is that he is the "Mayor Curley of Nigeria." [Laughter.]

He was accused, and I believe convicted, of having misappropriated government funds in support of a bank which he founded and owns. But this only increased his popularity in the eastern region.

In the western region there is a man by the name of Awolowo. He is quite a politician, has a stronger group working with him than has Azikiwe, and may not have quite the same political interests as Azikiwe, but he is probably a better organizer. Certainly the British look upon Awolowo as being the principal hope in Nigeria.

The northern region, which has the largest population—I think it probably has 18 million out of the 30-odd million in Nigeria—is Mohammedan, and is feudal in organization.

The political scene there is really a reflection of the feudal structure. The head man of Sokoto is the top feudal fellow, and is also the prime political figure in the party that is dominant in the north. Right down the line the people who are strong politically are strong because of their position in the feudal hierarchy, and the standard of education in the north is very low.

The literacy rate is only 2 percent, and this year they are turning out 25 high school graduates in a country of 19 million. It now has a regional self-government, and will be part of an independent country. So in the north there is an immense problem of education.

There are three different things: the northern region, with its peculiar kind of political organization; the eastern region, where the primary problem to my mind is corruption; and the western region which is better organized, but small. The other two consider Awolowo the principal political threat. How this is going to work out I have a hard time predicting.

I have rarely seen a more dedicated group of administrators than the British administrators in Nigeria.

THE BRITISH INFLUENCE

If one considers the main problem being ahead of the game in this independence—or colonialism—competition, the British have certainly gone out of their way to get ahead of this movement. They are really forcing independence on Nigeria clearly ahead of the time that Nigeria would normally be considered to be ripe for independence, and they are doing everything they can to help the Nigerians get educated, get trained, get set in order to do this. So the Nigerians do not have any grounds for irritation with the British, and are not irritated with the British.

This has a reverse side, though. How do you make a nation of something that never has been a nation unless there is something you can hate? And the Nigerians cannot really hate the British. The British have really done the best they could with them.

I discussed the problem with the British Governor of Nigeria, and he said, "Well, the same thing has been worrying me."

He said,

> I talked to Mr. Lennox Boyd, the Colonial Minister in London, and proposed to him that I do some horrible and outrageous thing which would cause all the Nigerians to hate me. But the Colonial Minister said, "Maybe it is all right if they hate you, but I don't want them to hate me. If they hate you they will hate me."

[Laughter.]

To look for a moment at U.S. policy with respect to Nigeria, I think that we want to back the British to make these people ripe for independence and get them trained to do the best job possible; so I do not think we have any conflict here with the Nigerians or with the British.

PROBLEMS OF EDUCATION

Now, where should one throw one's effort? I think in northern Nigeria. The bottleneck clearly is education, particularly at the secondary level.

Up to 2 or 3 years ago the northern Nigerians did not want to be educated. The emirs had to order children from the villages to go to school because this was contrary to all the traditional customs; but in the last couple of years, this has been reversed. Now they want education, but now there isn't anybody to educate them. The seed corn isn't there in order to expand an educational system.

They have some teacher training programs, and so forth, but to handle a country of 18 or 19 million people who just in the last couple of years decided they want to become educated, is terribly hard, so I think we could help there.

In the eastern region, if I am right that the principal problem is corruption, I do not know what you do about that. It is a terrible thing. It has a long and unfortunate background.

One of the brilliant Governors of Nigeria was a man by the name of Sir Allen Burns. He came to the conclusion that one ought to bring the Africans up as rapidly as possible in order to take over the job that the British were then carrying even up to the rank of Minister; but if Africans then did work which formerly had been done by Britishers or another ministry was being done by a Britisher, they were interlarded. What should you do about pay? Should you give them equal pay for equal work or not? He came to the conclusion it would be politically impossible not to give equal pay for equal work, and he so recommended to the British Colonial Office.

The British Colonial Office did not go quite that far, but almost that far. They had a similar allowance for what they called extraterritorial service which the British had gotten with the Africans and the Africans did not have, but the base pay was the same for both.

So now the Minister for Education, for instance, in the eastern region, gets paid 3,000 pounds, approximately $9,000, which is what the Britishers used to be paid for a similar job, and which is not high. For the Britisher it is probably only four times the average income of the Britisher, but for a Nigerian it was 50 times the average income of the average Nigerian. There is no earthly way in which the Nigerian can get such compensation anywhere other than in the government activity, so there is tremendous competition to get into the government and a ministerial job and so forth, which tends toward corruption.

When the government pay scale gets so enormously high, when the Minister of Education gets 50 times what the normal people get, this sets up strains which are difficult to control.

Senator CHURCH. Can that be undone by independence?

Mr. NITZE. Well, I do not know. It would take pretty tough-minded leadership, and in the eastern region I did not see that toughness of spirit to tackle that kind of a problem.

Senator CHURCH. Witness the fate of a proposal in Congress to reduce Federal salaries for Federal employees.

Senator KENNEDY. Including our own. [Laughter.]

NO DOMINANT POLITICAL FIGURE IN NIGERIA

Is there no sort of dominant political figure like there is in Ghana, the Sudan, and Guinea when they become independent?

Mr. NITZE. No.

Senator KENNEDY. I would think all of these things sort of conspire to mean rather going in a different direction.

Mr. NITZE. That is one of the reasons why I had difficulty in foreseeing how Nigerian independence will work out.

Senator KENNEDY. Couldn't the British have waited?

Mr. NITZE. I think they were worried about waiting because then they would have lost the first point of being ahead of the game and would have been behind it.

Senator KENNEDY. Of course, we have no Embassy there now, do we?

Mr. NITZE. We have a consulate in Lagos.

Senator KENNEDY. Does it amount to much?

Mr. NITZE. Yes. It is a very good organization. There is quite an institution there. We have nothing much in the eastern region; we have only one man, who is a USIS fellow, but he is doing an excellent job. It makes one proud to see just one young fellow in the eastern region doing a first-class job; he knew everybody, everybody liked him, and he was aware of everything that was going on; a great asset.

We did go to the Belgian Congo, but there is quite a different kind of picture there. I did not stay there very long, so I might skip the Belgian Congo.

KENYA

But in Kenya, I don't know quite how to get at the Kenya situation because it is so complex.

There are the white Highlanders, the Britishers, who have settled on the land in the region going northwest from Nairobi. I guess there are about 50,000 or 60,000 of them, very attractive people doing a marvelous job farming; they are all right. But there are only 60,000 of them, and there is a strong segment among them who are xenophobic and hate everybody. They hate the British Government; they hate the

Labor Party, the Conservative Government, the U.S. Government, the Democratic Party and the Republican Party.

They think all of us tend to advocate independence to countries like Kenya, while they see nothing but disaster when they become independent. So this is a bad element from our standpoint in Kenya.

On the other hand, there is another group of the white Highlanders for whom a man by the name of Blundell is the spokesman. He thinks the only hope is to mitigate the race relations and to work toward a common policy with the Africans and go as far as possible to prepare for the time when the Africans will have the supreme power.

Then there is a third group, for whom the most vocal spokesman is a man by the name of Vasey, who has been finance minister in Kenya. He goes so far as to recommend that the United States push the Britishers as hard as we can to make the British give Kenya independence and have Tom Mboya take it over right away, and that we ought to force the British out of this position. He seemed to me to have difficulty addressing any of the problems that Kenya would then face.

He does not want to talk about that. He wants to talk only about the desirability of independence and what would happen if they do not have it fast. He will not address himself to how to deal with the problems they will have, because these problems will be immense.

Not only are there white Highlanders divided and determined to make a fight rather than be dominated by the Africans, but there are—I forget the number—100-odd thousand Asians there, and they are not unified at all. Some of them are Hindus, some of them Sikhs, and some of them Moslems; and the Moslems are of two different sects. They have four different types of Indian schools.

There are all types of competition between these people, so this Indian thing is hardly an element of stability.

THE AFRICAN TRIBES

Then the Africans are separated. The leading tribe is the Kikuyu tribe, from the Mau Mau thing, all Kikuyu. One might think this Mau Mau was a fairly primitive kind of thing, and it was. But the Kikuyu are by all odds the most advanced tribe in Kenya, the brightest, hardest working, and the most energetic tribe.

Well, I do not know what you do about this.

[Deleted.]

Tom Mboya is not a Kikuyu; he is of some other tribe—I have to think of the name of the tribe of which he is a member. But there is an enormous amount of work that somebody has to do before this thing will be anything but the most bloody chaos if the Colonial Office ever lets its finger off this. And here I think you have to be for a continuation of supreme power in the hands of the Colonial Office, and, therefore the Governor General, while working toward an evolution which would make this more possible.

I am not suggesting that we overtly say this, because it would cause us all kinds of trouble; but I am suggesting that we ought to worry about what would happen in this place where they did have independence with the British settlers running it, in which case there is a Rhodesian kind of a situation, or independnece with the Africans running it, because Tom Mboya hasn't any organization at all.

Senator KENNEDY. Does he have general popularity?

Mr. **Nitze.** He has general popularity, and I think everybody would agree that if he were permitted to organize politically he probably could organize the Kikuyus. At the moment there is a political fellow by the name of Dr. Kiano who has the Kikuyu organized, and Tom Miboya is not permitted to understake political activity in the Kikuyu reservation because he is not a Kikuyu.

They divide this thing up in a reservation where a tribe has its own area, and people are not allowed to cross the boundaries of the reservation without permission of the District Commissioner.

Senator **Kennedy.** How substantial, then, is his standing in all of Kenya? Is he really a major African figure?

Mr. **Nitze.** I think he is a major figure, but he does not have any organization there.

Senator **Kennedy.** But has he the potential? Is he regarded as the leader and a father of his country in a sense, like Nkrumah and some of these other people?

Mr. **Nitze.** Not yet. I think everybody agrees he has tremendous capabilities, that he is a good speaker. He could probably develop a following. Whether or not he has the capacity of organizing a party remains to be demonstrated.

He has all kinds of jobs. He is the chairman and a member of the Christian Federation of Trade Unions, [CFTU], African Section, and president of the All-African Congress, and so forth and so on; and he does all these things without anybody to help him.

POWER IN THE SUDAN

Then to go from here to the Sudan, there is a problem of what happens when a country is taken over by its military.

I gather that the political situation prior to the military coup of last November had deteriorated quite a lot; the Umma Party was in control, largely because they had bought the vote and bought some delegates in Congress.

When they ran out of money after the election, they did not have enough money to keep these people bought.

A crisis arose, and then Nasser continued to interfere with the situation and the army just took over.

But the 10 men who took over are colonels, generals, that kind of thing. I do not believe they are terribly highly regarded. They certainly are not so regarded by the senior civil service in the Sudanese Government. The British did a fine job of training them in the Sudan. These are the people who keep the country rolling in spite of the military takeover. The senior civil service recommend all the things that are done to keep a government going, but they have a very low regard for their superiors. They say these men they went to school with were all in the lower third of their class, and that is why they went into the army; they are good, healthy looking and vigorous fellows, but certainly the senior civil service does not respect them much.

These 10 men formed themselves into a Supreme Council and took supreme power; then they turned over all their power to the Senior General of the Sudanese Army, General Abboud, but apparently Abboud runs the show in reverse. He never asks anybody to do anything. He never says anything should be done. If they do something he does not approve of, he says, "I will resign." That is the way he leads.

And General Shenan, who was in command of some forces down in the southern part of Sudan, was ordered to move his troops through Khartoum in the north; while he was moving through Khartoum, he just surrounded the government buildings and said he did not like General Wahab, who was the Minister of the Interior, and they had better remove him or else he would continue to obstruct the functioning of the government. General Abboud said, "Let's not have bloodshed; let us remove General Wahab." So after one of the juniors did this kind of a thing to his senior, why, all discipline, even among the junior officers, began to evaporate. So when I was there there seemed to be a very weak kind of a situation with everybody unhappy for lack of leadership.

After I left, Shenan told some of our people that he was going to take over the government in full and was going to make himself a military dictator and throw General Abboud out on a certain Thursday. When the Thursday came around and nothing happened, he found some complexities about it, so he did not move. Then I was told yesterday that somebody arrested General Shenan and put him in jail with his sidekick.

This kind of situation is like Latin America, with the palace revolutions and generals threatening other generals, and everybody else disgusted with the whole show. I do not know what the deuce you do about that.

It was not very good when run by the parties and it is probably worse now.

Senator KENNEDY. Has Nasser much influence on it?

Mr. NITZE. He has some influence, which is surprising because every normal reason which would motivate a nation would motivate the Sudan to be hostile to Egypt, because they have all these rows about the waters of the Nile: they have had every kind of difficulty.

Senator CHURCH. Is there a boundary dispute?

Mr. NITZE. There is a boundary dispute. The Egyptians who live in Northern Sudan generally sell their camels and gum Arabic and so forth in Egypt. They went to Egypt and sold their stuff and got paid in Egyptian currency. Then the Egyptians clamped on regulations prohibiting the export of currency, so these fellows could not take their money out with them. They had sold all their camels and goods in Egypt, and could not get their money into Sudan, so there was a terrible row about this.

There was a row about the backing of the Sudanese currency which used to be Egyptian. They decided to call in all Egyptian currency and return it to Egypt. The Egyptians owed them 9 million pounds on this but refused to pay. Every kind of friction between the Sudan and Egypt exists, but still Nasser has much more influence than you would think he is entitled to, I think largely because of the fact that they are starved for leadership. Nasser is at least a leader of some kind, and this is what they all feel the need for.

THE ANTI-COLONIAL POLICY

Senator KENNEDY. Does the Algerian War have much influence in Western Africa all over these areas, which are or were recently colonial, which you regard as a major colonial struggle?

Mr. NITZE. It is hard to say. They all mention it, and the basic policy has to be anti-colonial, for African independence; but then the next question is how seriously they take it.

I did not get the feeling that they took this very seriously, certainly neither the Sudan nor Ethiopia nor Kenya cared about it at all.

They do not care about it as much as Nigeria. Sekou Toure uses the argument from time to time because one of the key points in his position is complete African independence. He talks a great deal about the Algerian War.

Senator CHURCH. What is the population and makeup of the Sudanese as far as the religions or the racial complexion of the people are concerned?

Mr. NITZE. The southern part, equatorial Sudan, is inhabited by very primitive tribes. It became part of the Sudan because it was an area from which the people around Khartoum used to go down and make slave raids and take the slaves across the Red Sea and then sell them in Saudi Arabia until recent years; so this equatorial band is quite different.

It is purely black Africa and very primitive, and these people are apparently very improvident. None of the men will ever work. The women do all the work. They would rather starve than work. Even though it is a rich part of the world, every so often people starve in large numbers out there, because it is that kind of place in the south.

But in Khartoum, north of this southern area, there is a mixture of Arab and Negro blood. They say you have to have some Negro blood in order to survive in this hot part of the world.

Senator KENNEDY. Climatically or politically?

Mr. NITZE. Climatically. You know the bugs and diseases around that part of the Nile.

Senator CHURCH. Are the people in northern Sudan Mohammedans?

Mr. NITZE. They are all Mohammedans, but there are several different kinds of Mohammedans. The leader of the richest sect developed cotton plantations on the Nile with pumping schemes, a very large-scale and profitable scheme, so he had, I think, 500,000 of them working. It had a lot of money, control and influence. I forget the other sect, which is the competing sect.

Then off toward the Red Sea there is quite a different race, what Kipling called the "Fuzzy Wuzzies," apparently red or brown with curly hair. They are quite aboriginal, and according to the Sudanese I talked to, they probably could not be assimilated into Sudanese culture.

Senator CHURCH. Is there any real fear that Nasser has aggressive designs on the Sudan any more, or is there any movement toward a federation with Egypt?

Mr. NITZE. There are those who would like to federate with Egypt, but I think it is a minority position.

There are a lot of Egyptians all through the Sudan, because the Egyptians have dams on the Nile, south of Khartoum, and they have barges, dredges, boats and ships. They have a big Embassy and a lot of offices and a lot of Egyptians around, but I think most people dislike them. But there are some who play with the Egyptians.

COMMUNISM IN AFRICA

Senator KENNEDY. Are the Communists generally throughout Africa? In your trip did you get the impression that this is an area that they are making a maximum effort in, in which they feel they have great potential?

Mr. NITZE. Yes. I would not say that they are making a maximum effort, but I think they are making a very well-designed approach toward developing strength at the grassroots. Even in the Sudan, for instance, you get the impression that there are little groups of Communists which are multiplying like mad because of lack of leadership at the top and complete distaste for what went on during the period when there were political parties, and for what is going on under military rule.

This does not seem to be an adequate solution to the political problem, so then people begin to form little groups and toy with the idea of communism.

Senator KENNEDY. I would think their prospects are quite bright in some of these areas, with the Chinese experience showing them they can carry on some degree of independence of the Soviet Union, and they might feel that the assistance they gain in that area would be more substantial; I do not know. It is quite obvious, as you point out, that it really depends on the personality of whoever happens to be the dominant leader, and I am sure the chances are that in all these countries there will be some who have a Marxist orientation, Communist orientation, in 16 or 18 new countries.

Mr. NITZE. Most of them have a Marxist orientation.

Senator KENNEDY. But not Communist.

Mr. NITZE. Most of the leadership were educated in Paris or in London.

Senator KENNEDY. The London School of Economics, and these fellows almost all to a man have had a Marxist orientation.

Mr. NITZE. Almost all to a man they have had a Marxist orientation, and whether they have Communist orientation or not is a separate question.

Senator KENNEDY. Is Nkrumah anti-Communist or is the policy that exists one that seems to be a rather neutralist policy in these matters?

Mr. NITZE. No; I did not go to Ghana so I hesitate to speak.

Senator KENNEDY. Yes. Do you think de Gaulle or a successor will ever put the question of choice to these countries, or are they assumed to have made this choice now ad infinitum, as far as being associated with the French is concerned?

Mr. NITZE. I think the deal was that any time in the future they could come up for independence because they have not cut off their right to do so.

Senator KENNEDY. Wouldn't it be likely that a leader in Ghana or Guinea would attempt to develop independence?

Mr. NITZE. Guinea has full independence.

Senator KENNEDY. But in other areas.

Mr. NITZE. He is trying to do that. He says that he will join a federation of Mali and pull Mali out of the French community, for instance, and he is perfectly clear. He says Mali, Senegal and Sudan are going to get out of the French community. I talked to the Ivory Coast fellows about this, and they said, "Well, we are all solid in the way it is, but if everybody else leaves the French community then it is doubtful if we can continue to collaborate with the French." I mean, they are isolated.

Senator KENNEDY. He could very easily dominate that whole area in another decade or less.

Mr. NITZE. It is possible.

TRUST TERRITORIES

Senator CHURCH. What is going to happen to the trust territories in Africa? Somalia is under Belgian trusteeship. That was also Italian Somaliland when I learned my geography. It must have been taken from Italy after the defeat of Italy in the Second World War. It is now a trusteeship.

Mr. NITZE. I think it will be given its independence next year.

Senator CHURCH. What about Togo, next to Ghana?

Mr. NITZE. Before we leave Somalia, this is a very serious political problem because I think the British may also give British Somaliland its independence. The Somali tribes cross that tip of Ethiopia depending upon the rainfall and where grass is, because they are Nomadic tribes. I gather they are a very brutal, blood-thirsty people with a lot of fighting stamina, and are hard to control and they cross over the tip of Ethiopia. They would like to have that part of Ethiopia which the Ethiopians do not live in, and politically have power over it, but they do not control it. They would like this to be part of Somalia.

Well, Ethiopia is damned if they are going to give up their territory, so this is a very sticky situation between the Somalis and the Ethiopians.

Senator CHURCH. What about Togo, next to Ghana?

Mr. NITZE. I do not know a thing about Togo.

Mr. HENDERSON. It gets its independence next year.

Senator CHURCH. And the Cameroons?

Mr. HENDERSON. The next year.

Senator CHURCH. Is it true that the Union of South Africa has simply latched onto Southwest Africa and has no indication of relinquishing its hold?

Mr. HENDERSON. That is a League of Nations mandate, and the Union has consistently taken the position that this does not automatically become a U.N. mandate, so they deny U.N. jurisdiction over Southwest Africa.

Senator CHURCH. That was a German territory prior to the First World War.

Senator KENNEDY. Mr. Farmer, did you want to make a comment on any of this?

Mr. FARMER. I think the United States could do a couple of things with regard to the arms episode.

LIBERIA

I used to be in the Liberian Department in the Department of State, and I have certain prejudices; I think I ought to tell you about that. But the fact of the matter is that it is intimately associated in the minds of all of West Africa with the United States. This has to be kept foremost in one's mind in the formation of American policy, so it was very significant to us that Sekou Toure should have gone to Tubman to ask for Tubman's intervention with the United States for aid. President Tubman has repeated his conversation with Sekou at some length to me, which is very interesting, because Sekou Toure at first disavowed being a Communist, although he said his training was at the hands of the CTG, not the Communist Trade Union in France, and this is where he had developed his trade union organization ability.

He wanted to be with the West, the way he put it; he wanted guns for his police, not military arms. He wanted guns for the police and some rice because the French had diverted shipments of rice that were on the open seas, and sent them away from the territory. He wanted a relationship; he said, "I will go so far as to say I will use American currency and dollars, even as Liberia does," and he asked Tubman to communicate this to the United States.

Tom Brady of the New York Times, was in Guinea when I was there. He asked Sekou Toure if there were Czech arms, and whether it indicated that this was going to be a Communist country, and Sekou Toure told him this story, "Why shouldn't we be Communist or non-Communist? These are the people who helped, and you didn't help us."

So then they sent Schmidt to find out what it was. He said the United States doesn't make it a practice of dealing with third parties in matters of giving aid, which is a very sticky attitude to take from Africans who are not given to protocol or formalities.

Senator **Kennedy**. When was this?

Mr. **Farmer**. This was May 1. This was in the New York Times of May 1. He went further to say that inexperienced African diplomacy led them into this.

Senator **Kennedy**. May 1 of what year?

Mr. **Farmer**. Of this year.

Senator **Kennedy**. He did not ask for guns on May 1.

Mr. **Farmer**. That was on December 17. The Ambassador went to the State Department on December 17.

Senator **Kennedy**. I see.

Mr. **Farmer**. And when I was in Guinea this story broke, and the Guineans told the Liberians,

> Frankly, now, you know where you stand with your great American friends. The only thing you ever had to offer anyone was your closeness to the Americans, and they kicked you in the behind when somebody asked them for help.

Senator **Church**. Sekou Toure should have known he could not get rice and pistols, but if he had asked for tanks and planes he would have gotten them. [Laughter.]

AMERICAN ENVOYS TO AFRICA

Mr. **Farmer**. Rindon, the Charge d'Affairs, early in the day recommended rice, and there was a 2- to 3-month discussion in the State Department of whether they should send a team over there to evaluate the need for rice; and this being a rice importing area ever since the French have been there, they have imported rice. The French shipments had been diverted, and the question was whether or not you should investigate the need for rice.

Senator **Church**. [Deleted.]

Senator **Kennedy**. [Deleted.]

Mr. **Farmer**. [Deleted.]

Senator **Kennedy**. [Deleted.]

Mr. **Farmer**. [Deleted.]

Mr. **Nitze**. [Deleted.]

Senator **Kennedy**. [Deleted.]

Mr. **Nitze**. [Deleted.]

Mr. **Hunter**. [Deleted.]

Senator **Kennedy**. I think this is terribly important; and I am very appreciative of your coming and I know Senator Church is, too. We are just starting in on this task of the subcommittee, and we do not know anything about it, but we are very interested.

I think we ought to go into this question now, and let us get the fellow up. I would like to ask him about this business. We want to get Dana Schmidt's story.

ARMS FOR LIBERIA

Mr. **Nitze**. In connection with this, at the time Tubman transmitted the Guinean request he also coupled this with a request for arms for Liberia.

Mr. **Farmer**. It was not at the same session. It was a month later that the Ambassador of Liberia went back for arms; at least that is what the Liberians say.

Mr. **Nitze**. The State Department says one of the reasons they turned down the Guinean request was that it would involve giving arms to Liberia, and they did not want to contribute to an arms race between Liberia and Guinea.

Mr. **Farmer**. The Liberians say that should the Communists win in Guinea or should they become Communist oriented, largely because they feel we have insulted Liberia and encouraged Toure's dissatisfaction with us, Liberia, as the closest country to the west, would be their next target because it is the bastion on conservatism, and has borders contiguous with Guinea. So they were anxious about this arms situation.

Senator **Kennedy**. Do the Guineans have an ambassador here now?

Mr. **Farmer**. They do. A man named Telli Diallo, who is a very cultured Frenchman. He is one of the French Africans, a man who speaks French very well; the expression is that he speaks French too well and goes to Vichy to cure his liver, and they are not on the inner circle. It is the trade union guys, who got their education in high school, who are the rulers there in all these areas except Senegal and the Ivory Coast.

Senator **Kennedy**. I recommend this to the attention of our colleagues.

[Whereupon, at 5:55 p.m., the subcommittee adjourned.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

WEDNESDAY, JUNE 10, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to recess, at 10:20 a.m., in room 4221, New Senate Office Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Long, Kennedy, Gore, Lausche, Church, Hickenlooper, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Newhouse of the committee staff.

The Chairman. The committee will come to order.

REVISED FULBRIGHT AMENDMENT

As we recessed yesterday, the motion was made by Senator Morse, and it was agreed to be the pending business, which is in a sense a revision of the amendment that I offered, co-sponsored by Senator Kennedy and Senator Humphrey.

I think you might as well read that. Does everybody have a copy of it?

Mr. Marcy. Yes; everybody has a copy of it.

The Chairman. Revised amendment.

Mr. Marcy. This is applicable to the Fulbright amendment which appears on page 27 of your committee print, and it is in lieu of the first paragraph. In lieu of paragraph (a) would be substituted the language you have in front of you, which says:

> The Secretary of the Treasury is authorized and directed to make, beginning in fiscal year 1960 loans to the Fund in amounts needed to cover obligations incurred against the Fund except as provided in Section 205(b) of this Act. The maximum amount of obligations incurred against the Fund during each of the fiscal years 1960 through 1964 shall be $1 billion, and any unused portion of the maximum applicable to any period shall be added to the maximum applicable to the succeeding period.

The effect of this on the Fulbright amendment is to reduce the annual amount available from $1.5 billion in the original amendment to $1 billion.

There is a secondary effect. As the original Fulbright amendment would have applied to the funds this year, $700 million would have had to be appropriated. This new language would eliminate that $700 million as appropriated funds, but would make it possible to borrow that amount from the Treasury without going through the appropriations process.

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[1] See Appendix B.

Mr. **Denney**. I should point out instead of 205(b), it should be 204(b); that is a misprint.

Senator **Church**. What is section 204(b)?

Mr. **Denney**. That is the language that defines what the term "Assets of the Fund" shall mean, and the point of the "except" clause is that assets are defined as capitalization plus whatever may have been paid back into the Fund.

Senator **Church**. And is money repaid available for further loans?

Mr. **Denney**. That is correct. It is rather hypothetical for many years to come, but that is the point of it.

Senator **Church**. Yes.

Mr. Chairman, as I recall, just in order that the record may be clear, the last action that was taken yesterday was a motion by the Senator from Oregon, Mr. Morse, to the effect that the original amendment be adopted excepting only that the amounts be reduced from $1.5 billion to $1 billion. Two other changes have since been made in this revised amendment, and I should like to move that the record show what has occurred since that amendment or that the motion made by the Senator from Oregon yesterday be amended so as to substitute the language that has been furnished us by the staff in the interim.

You heard the motion.

Senator **Church**. Making these two additional changes.

The **Chairman**. Any discussion? Senator Lausche.

Senator **Lausche**. I want to restate the position which I took yesterday. I do not subscribe to this method of financing. I would not have objections to lifting the amount to $1 billion if the procedure normally adopted in the spending of Federal money were followed, and that is the item going through the Appropriations Committee.

I oppose this measure because I believe we are circumventing the Appropriations Committee; we are doing so because we feel that either the Appropriations Committee of the Senate or of the House has not seen eye to eye with us in what money should be allocated.

I do not subscribe to this method of financing. It is being repeated too frequently. It has been used in the housing program, where we are providing money for housing through expansion of the debt.

I think it will lead to dangerous fiscal situations, and for that reason I cannot subscribe to it.

The **Chairman**. Any further discussion?

Senator **Capehart**. Mr. Chairman.

The **Chairman**. The Senator from Indiana.

Senator **Capehart**. If I might take just a minute here.

$1 BILLION A YEAR

What you are doing here is asking for $1 billion a year for 1960 through 1964 to be borrowed from the Treasury.

The **Chairman**. That is right.

Senator **Capehart**. Is that what the amendment does?

The **Chairman**. That is right.

Senator **Capehart**. You mean it is limited to $1 billion a year?

The **Chairman**. That is right. That is the upper limit. Of course, if they don't amend it——

Senator CAPEHART. In other words, you are not authorizing them to, say, up to $3 billion or $2 billion to be borrowed from the Treasury and used as good solid loans or good solid——

The CHAIRMAN [continuing]. We do authorize the carryover. It is anticipated that the first year they wouldn't lend $1 billion; but if they lend—we will assume $500 million—the unused authority will be carried over and will be available in the following year.

Senator CAPEHART. Why wouldn't it be better to set it up exactly like the Export-Import Bank, and just authorize them to loan up to "X" amount of money, disregarding the time limit? That is the only practical way you could run this institution, or any other institution.

The CHAIRMAN. I would say there isn't any substantive reason. The reason to do it this way, if it is a good reason, is that we are approaching sort of tentatively; we have had this annual appropriation, and there has been objection to making it longer. Some limitation, I think, would be more acceptable as a political matter than none at all.

Frankly, on purely rational grounds, I don't think there is much difference. What we really are doing, to put it in another way, is making available $5 billion in borrowing authority for 5 years. If this program is administered——

Senator CAPEHART. But you are limiting it to $1 billion each year.

The CHAIRMAN. Although that last sentence makes the carryover——

Senator CAPEHART. Cumulative carryover.

The CHAIRMAN. Yes; that is right. So in effect it is $5 billion for 5 years. As a practical matter, if it is administered like I anticipate and conditions continue like I anticipate, it will be extended if it is not used. It would probably be used in 5 years; if it is not, it would be extended and it probably will be increased.

I don't expect the need for this capital to be satisfied in 5 years. I think, Homer, the only reason is that it is customary around here to put certain limits on it, and it kind of ensures a review and a further extension. Those are the reasons.

If I thought the Congress would look with favor on your proposal I would have no objection to it. I think this is a little more acceptable to those who aren't yet convinced about the long-term necessity of this.

NOT GOOD BUSINESS

Senator CAPEHART. Let me say this: I don't want to quarrel with what the able Senator from Ohio said about the Congress and the Appropriations Committee's handling these appropriations; I agree with that, normally. But here you have the U.S. Government now in corporations such as the Export-Import Bank, the International Bank, certain housing corporations, and now this defense loan fund. It is a bank, and I am one who has had some little experience in business and banking. Maybe you can make a good argument we ought not to have a defense loan or an Export-Import Bank and we ought not to be doing those things. I am not arguing that point; but if you are going to do them, then to me the most practical way is to set up a capitalization as you do in a bank, with no time limit particularly, and let them loan money on good projects as directed by Congress. If you do not do it that way, then you set a time limit and they are working against a time limit rather than against getting the full and complete information on loans.

They sit across the desk from the other fellow and he says, "Well, you have to make this loan within 30 days, because your appropriation expires, and I don't have time to get the information you want within 30 days."

So finally the fellow on this side gives in, and he makes the loan without information. That is why you have been getting a lot of bad loans and having a lot of bad situations in our foreign affairs. They give in because if you give them a $1 billion appropriation and they use only $500,000 of it this year because they can't run fast enough to properly process their loans, then the Congress comes back and says, "Well, I suppose you only need $500,000 for the next year."

The CHAIRMAN. That is right.

Senator CAPEHART. And it isn't good business. Maybe we ought not to be in business. I could make a good argument for that, I think. But if we are going to have the government in business, then why don't we put them in business in a businesslike way so they can do a good job and so they can deal with these situations, rather than having to fight time limits all the time? It takes months, you know, to negotiate these loans in foreign countries. It isn't like a loan at home. It takes months and months, and when you make them fight a time limit, the result is that you get a lot of bad situations.

Now, that is the only argument in favor of doing it on a basis of authorizing them to. As you well know, we increased the Export-Import Bank's authorization a year or two ago up to $6 billion. I think there is about $2 billion of it they haven't used at all.

Now, in my opinion, we ought to either get rid of this defense loan fund entirely or set it up on a practical basis so they can operate it. It either is a good thing or it isn't, and if it is, it ought to be operated under the most practical conditions that you could work.

A SEPARATE INSTITUTION

Senator AIKEN. May I ask you this question: Is the most practical basis being part of the Mutual Security Act?

Senator CAPEHART. Do you mean having it part of the Mutual Security Act?

Senator AIKEN. Yes.

Senator CAPEHART. George, it might well be that it ought to be a separate institution; I don't know. I wasn't thinking in those terms. But I was thinking in terms of the problems that they have in meeting the appropriation deadline. Now, they can't do it, and there are going to be situations like you read about in the newspapers and hear about, if you make them fight time. You can't fight time making loans. You can't fight time in business, if you are going to do a good job. You just can't do it.

If you sit across from a man and he knows you have only 24 hours or 48 hours, he is going to take advantage of you. You can't help it. And the very idea that you can move fast enough on international loans and handle them within a year—it just can't be done. You ought not to ask them to do it, because all you are doing is asking them to indulge in inefficient management, bad loans, and criticism from the press and others which they will get in the future.

I much prefer to see this on the basis of setting it up as a corporation or a bank and say, "You can loan up to"—I don't know what the amount ought to be. What is it they have?

They have had a billion.

Senator **Sparkman**. Seven hundred million dollars.

Senator **Capehart**. Up to this time they have had $700 million.

The **Chairman**. The authorization for appropriation is $700 million. The House increased that by $100 million.

Senator **Capehart**. Then it is $800 million for the next 12 months.

The **Chairman**. That is the proposal; that is right.

Senator **Capehart**. But they have to spend it within a year.

The **Chairman**. It is an annual appropriation.

Senator **Capehart**. And they can't efficiently do it.

Why don't we do this: Why don't we make this $1.5 billion authorization——

The **Chairman**. Well, I proposed that——

Senator **Capehart** [continuing]. And let them loan up to $1.5 billion and then they are through, unless they get further authorization.

The **Chairman**. You mean a total of $1.5 billion?

Senator **Capehart**. Yes.

The **Chairman**. That is awfully little.

Senator **Aiken**. Mr. Chairman——

Senator **Capehart**. It is a good start; it is a start on the right principle. Forget the amount.

EXPERIENCE WITH HOUSE ON TIME LIMITS

The **Chairman**. I think you and I agree exactly on the reasons. As a practical business proposition, if you are going to make it operate it has got to be over a long period. I am not wedded to 5 years. I think it is a reasonable period because it gives it an opportunity to get going; and then we have an opportunity to review it again.

This committee and the Senate once before adopted a 2-year program, and the House threw it out. I am trying to adjust the realities of the situation with what I think would be a step forward.

In all logic, I see no objection to the Senator saying "no time limit." I would agree with that; but we tried for 2 years and couldn't get by with it, and I thought some limit would be more acceptable than none.

Senator **Capehart**. I am proposing we handle it exactly like we do the Export-Import Bank.

The **Chairman**. I don't think it is exactly like the Export-Import Bank. This particular operation is halfway between the old program and a bank. This has overtones of political considerations. No one expects this to have exactly the same financial record as the International Bank; I don't expect it.

Senator **Capehart**. I understand it.

The **Chairman**. It is sort of in-between, and it is going to serve a political purpose.

Senator **Capehart**. But from a business standpoint——

The **Chairman**. I think it ought to be operated as near that as it can.

Senator **Capehart**. And I am suggesting, as I did this morning to Mr. Dillon, the Director of this Fund—as you know, McIntosh is going to Colombia——

The **Chairman**. That is right.

Senator **Capehart** [continuing]. That the director of this Fund be one of the directors of the Export-Import Bank, so that you can tie the two in together, and operate it on a business basis with some continuity to it, and so that the people sitting on the other side of the table do not take advantage of it.

The CHAIRMAN. The No. 1 consideration, as you put your finger on it, is continuity. If they enter into this in a businesslike way, we are in business to stay.

Senator CAPEHART. Otherwise we just bring the criticism upon ourselves as Senators and Congressmen.

The CHAIRMAN. I agree with that. I think the Senator is right.

Senator CAPEHART. They are just forced to do it, and if they weren't forced to do it and meet a time limit, then they could get a lot of information. They could simply sit back and say, "Mr. So-and-so Country, we can sit here for a year until you get your information and get the facts and start handling this thing as it ought to be handled."

The CHAIRMAN. The Senator from Vermont wants to say something.

A SOFT LOAN BANK

Senator AIKEN. I can see why, if this is going to continue, it should not terminate every year. I can't see extending it as part of the Mutual Security Act for a period of 5 years, though, as the most practical way to handle it. That is why I suggested yesterday that if we gave them what they are likely to use, $750 million a year over a 3-year period, before the 3-year period is up, probably within 2 years after having a full year's experience beyond what we have now, then they might develop the most practical way to handle it.

There have been several proposals made up to this time, but I would not say that making it part of the Mutual Security Act for a 5-year period is the most practical way of handling it.

The CHAIRMAN. I don't quite understand your point, George. Are you saying that we should make a lump sum available without any termination date?

Senator AIKEN. No. What I proposed yesterday was that we cut the amount in half to $750 million a year and extend it for 3 years, and it seems as if we could work out some way of establishing a soft loan bank. I am relying on John for that, because I realize he has some ideas in that direction. I would like his views.

Senator SPARKMAN. Mr. Chairman, all this discussion is good and helpful. I don't think we have enough evidence or advice on pulling this out of the Mutual Security Act at the present time, even though in the long run that might be desirable.

Senator AIKEN. Not now, no. I am not proposing it.

LONG-TERM RELATION TO MUTUAL SECURITY ACT

Senator SPARKMAN. I would suggest this: Now the Draper Committee is coming in with a new report very shortly. I understand the President may announce it today, and their next report is going to be on the economic phase of the program. That might very well be a point to be considered by them, whether or not it would be advisable as a long-range program to pull it out of the Mutual Security Act and make it a separate operating unit, as Homer has suggested.

For the time being, though, the compromise language is, to my way of thinking, almost perfect. I think the 5-year term is good. That gets the continuity that is needed.

I think, Homer, to set up just $1.5 billion with a 5-year term.

Senator CAPEHART. No; mine would be $1.5 billion without limit.

Senator SPARKMAN. $1.5 billion without term.

Senator CAPEHART. Just as you do with the Export-Import Bank.

Senator SPARKMAN. Yes. But we know that the demand is so high that that could not last very long. In fact, the administration is asking for $700 million for just 1 year. So a couple of years would be the most that it could last, and I think the position that you describe of trying to meet a deadline would be there just the same, with that.

It seems to me that setting it at $1 billion a year, which I think we have cause to believe fairly well represents a level in which there can be ease of operation and yet meet the demand, and giving it a 5-year period, gives them all the flexibility they need.

I want to say this with reference to getting the funds, appropriating as opposed to this other way:

We hear so much today about this back-door policy that you get the idea that it is a brand new thing, and yet it has been running for 30 years. There are programs that I don't think anybody in Congress would advocate financing in any other way.

For instance, just a few days ago, we agreed with the House in a conference committee to go deeper into the International Monetary Fund, $1.375 billion. I didn't hear anybody say anything about financing that through the Appropriations Committee. Not one word was raised with reference to that program, and I don't think anybody would advocate it.

Frank Lausche said something about housing. There is not a single provision in the housing bill this year that is new——

Senator LAUSCHE. Yes, I know.

Senator SPARKMAN [continuing]. In that respect, and there is not one in there that differs with what the administration recommended.

And by the way, the House has a resolution pending with reference to this. My thought is that as long as it is the accepted way of handling certain business undertakings of the Government——

The CHAIRMAN. Lending programs, especially.

Senator SPARKMAN [continuing]. Limited programs——

The CHAIRMAN. Lending programs.

Senator SPARKMAN [continuing]. Limited to lending programs or programs in which the money is supposed to come back into the Government—in other words, business or quasi-business operations of the Government.

Senator AIKEN. John, is this limited to 5 years? If you put up $1 billion a year for 5 years, and the unused portion carries over, suppose that they——

Senator SPARKMAN. At the end of 5 years we would have to reconsider it.

Senator AIKEN. You are sure of that, and it wouldn't carry beyond the 5-year period.

Senator SPARKMAN. And Bill said if there was any left over the chances are it would be extended, but it would take congressional action to extend it.

Senator AIKEN. Or transferred to some agency or a new agency.

Senator SPARKMAN. I think the amendment is good, and I am in favor of it.

The CHAIRMAN. Would you yield just for a point of information?

This $1 billion is what the Draper Committee reported.

Senator **Sparkman**. Yes; that is right.

The **Chairman**. On page 6, this is the paragraph:

> In its final report the committee expects to examine this question more fully. However, as an order of magnitude we believe that loans for economic development under the Mutual Security program will probably be needed at a rate of at least $1 billion a year for fiscal year 1961.

So that is where it has been inherited.

CAPEHART MOTION

Senator **Capehart**. Would you consider settling for $700 million or $750 million for a 5-year period instead of $1 billion?

The **Chairman**. I hate to, Homer. You know when we have to consider it. I wouldn't voluntarily come down. The House has already made it $800 million.

Senator **Capehart**. Let's make it $750 million for a 5-year period, and then we go to conference.

The **Chairman**. Why don't we start out with $1 billion and go to conference, and then we may have to settle for $750 million.

Senator **Aiken**. Assuming that we get whittled down somewhere along the road.

The **Chairman**. We are bound to.

Senator **Aiken**. I would be willing to start out with you on that.

The **Chairman**. I think we ought to start out with at least $1 billion, Homer, and you can figure it always is whittled down somewhere. I hate to go in lower than $1 billion, and we do have the Draper Report as a good support there of the administration's committee.

Senator **Capehart**. Let me offer an amendment to make it $750 million.

The **Chairman**. We have already reduced it $500 million.

Senator **Capehart**. I amend the $1 billion to make it $750 million.

Senator **Sparkman**. Vote.

The **Chairman**. You have heard the motion. He wishes to reduce it to $750 million.

All in favor of that motion hold up their right hand.

[Senator Capehart voted for the motion.]

The **Chairman**. All opposed.

[There was a showing of hands.]

The **Chairman**. Homer, your motion is lost.

Are you ready for the vote on the amendment?

PRESIDENTIAL DETERMINATION OF LOAN CONDITIONS

Senator **Green**. I am unfamiliar with the reasons. I was not here at the meeting for the phraseology in the amendment.

The **Chairman**. We are voting, the Senator knows, on this amendment.

Senator **Green**. Yes; but doesn't this apply?

> The President shall determine the terms and conditions of any advances and loans made by the Fund pursuant to this section.

Wouldn't that be effective?

Mr. **Marcy**. Which language is that, Senator?

The **Chairman**. I believe that is existing language. It is in the existing law.

Senator **Green**. But doesn't it affect the pending motion?

Mr. **Marcy**. It would not affect the pending motion, but it is related to the way in which the President would get the money from the Treasury Department.

Senator **Green**. Yes. But it ought to be taken into consideration in connection with the pending motion.

The **Chairman**. You mean as to the interest rate and such conditions as that?

Senator **Green**. Yes.

The **Chairman**. That is right.

Mr. **Marcy**. I think this would be primarily the bookkeeping transactions.

Senator **Green**. I don't know how limited it is. It is very broad language.

Mr. **Marcy**. It would be within the limitations set forth here. I mean, it cannot be here more——

Senator **Green**. It doesn't say so.

Mr. **Marcy**. It could not be more than the amount that the committee authorizes in the nature of Treasury borrowing, which would be this language here, $1 billion a year.

It says "pursuant to this section," Senator, and this is the whole section; so it is limited to the provisions of this section.

Senator **Green**. They couldn't increase the amount; yes.

Mr. **Marcy**. No; it could not.

The **Chairman**. That is not the purpose of the amendment offered by the Senator from Ohio. He doesn't wish to change any of that language. That is existing language.

Senator **Green**. No; but that language extends beyond the paragraph in which it is a part.

The **Chairman**. That is right.

Senator **Sparkman**. It is not existing language, but it is the language which occurs in provisions where the financing is done this way. But the present law does not have that.

Mr. **Marcy**. That is correct.

The **Chairman**. Of course not in this connection, but in all other operations where you use a public debt transaction there is the procedure that is followed; that is what I mean.

Senator **Sparkman**. Yes.

Senator **Green**. It is the usual language.

The **Chairman**. Do you object to that? Do you want to change it?

Senator **Green**. No; I am just asking for information as to how far it extends, and whether that was taken into consideration.

Senator **Sparkman**. I think the true meaning is this——

Senator **Green**. It may go farther than you want it to go.

THE REAL MEANING OF THE LANGUAGE

Senator **Sparkman**. I think the real meaning is this:

This Fund is authorized to have advanced to it as much as $1 billion a year from the Treasury. The President under this section has control on the flow of that. For instance, during the first 6 months they might put in only half that amount; later on, they might add additional amounts.

In other words, he controls the manner in which the advances are made.

The CHAIRMAN. That is right. I discussed this aspect of it with the Under Secretary. While they now have applications of $1.4 billion, they would not process and actually put out more than $200 million or $300 million in the first 12 months just as a matter of not being able to clear it.

Senator GREEN. But they do.

The CHAIRMAN. You could throw it away, but we are assuming a reasonably responsible administration in accordance with the way business and other activities are conducted in a provident way. This was his estimate, although they already have——

Senator SPARKMAN. Already obligated but not draw against it.

The CHAIRMAN. He doesn't need the money actually to pay out, is what he meant.

Senator GREEN. It is pretty broad language, terms and conditions.

The CHAIRMAN. We usually give the President rather broad discretion in administering it.

Senator GREEN. I don't know whether it was taken into consideration in connection with this amendment.

The CHAIRMAN. I don't know how we could restrict it very much. As a legislative matter it is almost impossible to say just how they shall administer it. That is true in all these things, and the President has to comply. I don't think there is any danger in that provision.

Senator GREEN. I was asking about its particular application to the present amendment.

The CHAIRMAN. Well, (b) would control; we are not changing it. That stays as it is; the (a) part of this amendment is changed in accordance with the mimeographed amendment that has been passed around.

Senator GREEN. Yes, but——

The CHAIRMAN. I wonder if we could pass on that first and then we will take up (b).

Is there any further discussion on (a)?

ADMINISTRATION'S POSITION

Senator LAUSCHE. I would like to say something on the entire proposal.

The CHAIRMAN. The Senator is recognized.

Senator LAUSCHE. I direct the attention of the members of the committee to the statement made by the administration; I have now in my hand the letter addressed to Senator Fulbright dated June 4. It points out that in 1958 the resources available to the Export-Import Bank were increased by $2 billion.

No. 2, there is now before the Congress a proposal to provide an additional U.S. subscription of $3.075 billion in guaranty authority to the authorized capital of the International Bank for Reconstruction and Development.

No. 3, the Congress recently has been requested to authorize the U.S. membership in the Inter-American Bank, which will have total resources of $1 billion, of which the United States would subscribe $450 million, with $200 million of this being in the form of guaranties.

No. 4, there is also now pending before the Congress an increase of 50 percent in the resources available to the International Monetary Fund.

No. 5, the administration is now consulting with other countries looking toward the establishment of an International Development Association which will provide a continuing organization for development financing on a multilateral basis. In this institution the cost of financing will be shared with other industrial nations on a continuing basis.

I submit to you that those in charge of this problem with the administration undoubtedly took into consideration the whole package. They recognized the four types of relief that they were providing either by new institutions or expansion; and recognizing it as one whole package, they felt that $700 million was the sum that ought to be given to the Development Loan Fund.

And especially I call your attention that if you pass a 5-year measure on the basis of making it continuing, you practically knock out this proposal in which they are suggesting the establishment of an International Development Fund that will be made available for loans to undeveloped countries.

And now, one word further on the matter of its having been done through the years. Yes; it has been done, but you were able to sell your bonds throughout the years, and maybe the fact that it has been done through the years is the reason that you are not able to sell your bonds today.

It is on this basis, together with the fact that I think you are bypassing the normal channels of the Appropriations Committee that I will not, I cannot, subscribe to this measure.

The CHAIRMAN. Any further discussion?

SUPPORT FOR THE AMENDMENT

Senator CARLSON. Mr. Chairman, I would just like to make this short statement.

The CHAIRMAN. The Senator from Kansas.

Senator CARLSON. I shall vote for the $1 billion. I think it is higher than what I would like to support, but in view of the House's $800 million, I am hopeful that if the Senate approves this item, the conferees will approach somewhere more nearly the $800 million than the $1 billion.

I notice in an analysis of the Development Loan Fund that it was authorized and created in Congress in 1957. So it is a new organization for lending, and up until May 15, 1959, a total loan commitment was $698 million, which would indicate that they would have to step it up considerably to use $1 billion. I sincerely hope——

The CHAIRMAN. That is all it has had.

Senator AIKEN. That is all they have had to lend.

The CHAIRMAN. They have applications for $1.4 billion pending now.

Senator CARLSON. This says loan commitments as of May 12 amounted to $698 million, but including the total appropriations since 1957, including the recent supplemental appropriation for 1959, they amounted to $850 million; that is over 2 years.

Senator AIKEN. That was given to them only about a month ago.

Senator CARLSON. I shall support the $1 billion.

PASSAGE OF THE AMENDMENT

The CHAIRMAN. Any further discussion?

Are you ready for the vote?

The Clerk had better call the roll.

Mr. HOLT. Senator Green.

Senator GREEN. Aye.

Mr. HOLT. Mr. Sparkman.

Senator SPARKMAN. Aye.

Mr. HOLT. Mr. Humphrey.

[No response.]

Mr. HOLT. Mr. Mansfield.

Senator MANSFIELD. Aye.

Mr. HOLT. Mr. Morse.

The CHAIRMAN. Aye. I have his proxy.

Mr. HOLT. Mr. Long.

[No response.]

Mr. HOLT. Mr. Kennedy.

Senator KENNEDY. Aye.

Mr. HOLT. Mr. Gore.

Senator GORE. Aye.

Mr. HOLT. Mr. Lausche.

Senator LAUSCHE. No.

Mr. HOLT. Mr. Church.

Senator CHURCH. Aye.

Mr. HOLT. Mr. Wiley.

[No response.]

Mr. HOLT. Mr. Hickenlooper.

Senator HICKENLOOPER. Pass.

Mr. HOLT. Mr. Langer.

[No response.]

Mr. HOLT. Mr. Aiken.

Senator AIKEN. Aye.

Mr. HOLT. Mr. Capehart.

Senator CAPEHART. No.

Mr. HOLT. Mr. Carlson.

Senator CARLSON. Aye.

Mr. HOLT. Mr. Chairman.

The CHAIRMAN. Aye.

Senator HICKENLOOPER. Mr. Chairman, I didn't pass necessarily in opposition to this or for it. I want to consider this revision a little bit more. I am not too happy with this procedure.

Senator AIKEN. I don't think it is ideal, but I realize it has a rather perilous course to run from now on and will probably be less than I wanted before it gets through.

The CHAIRMAN. The vote on that amendment is 10 "ayes" and two "noes," so the amendment is adopted. That is our first step.

Incidentally, the principle of this is one we adopted and the Senate passed 2 years ago. It is not nearly as radical as might appear at first blush.

Mr. Clerk, where do we go? Let's move along.

ELIMINATION OF MILITARY AID TO LATIN AMERICA

Mr. **Marcy.** Mr. Chairman, I would just like to suggest this: The committee has passed up two rather important subjects they have discussed in the past at length. One is the whole matter of military appropriations to Latin America, and we have a staff memorandum which sets forth each of the main proposals in that regard and a compromise proposal.

The second thing discussed at length, which is important, is the extent to which the military assistance dollar is measured against the local defense dollar. There are several amendments pending on that, and we also have a memorandum on that, so I would suggest that maybe it would be better to go to those two important items now than to proceed to thumb through the bill.

The **Chairman.** Let's take the second one.

Senator **Lausche.** Mr. Chairman, I am going to the Interstate and Foreign Commerce Committee for a few minutes, and then I will be back.

The **Chairman.** All right. Since Senator Morse isn't here, and he is very likely to insist on being here on Latin America, how about taking the other item?

Mr. **Marcy.** Senator Morse called me last night and left his proxy on his Latin American amendments. He will not be back until Friday, so he indicated he hoped the committee will still be talking on Friday, and if not, he left his proxy.

[Laughter.]

The **Chairman.** Senator Gore.

Senator **Gore.** Mr. Chairman, since I have offered the most far-reaching and certainly all-inclusive amendment with respect to Latin America, I would like to submit my amendment first.

Senator **Aiken.** What page?

Senator **Gore.** I am proposing that all military assistance on a national basis be eliminated.

The **Chairman.** The staff will give each member a memorandum which has a kind of summary of all the amendments in this field.

Go right ahead.

Senator **Gore.** I will wait until it is distributed, because I can't get attention during the confusion of distribution.

Let's see if they have me listed here.

Mr. **Marcy.** No, sir; this covered only the amendments which were printed.

Senator **Gore.** I see.

Mr. **Marcy.** Yours was very simple and easy to understand.

Senator **Gore.** That is right. It doesn't even need printing.

May I be heard?

The **Chairman.** Yes, Senator Gore.

Senator **Gore.** Mr. Chairman, and members of the committee:

I say in the beginning that I would be the most surprised member of the committee if my amendment were adopted. I offer it not with the expectation that it is going to be adopted, but because I think it is basically right, and the sooner we do it the better.

I am not sure that it can be done with the administration feeling as strongly as they do to the contrary, but offering it may serve to prepare the way for the adoption of such a course at some other time.

Now, my view is this: We are basically wrong in our approach to the problems of the hemisphere while undertaking to promote, as we are, an armaments race between the nations of Latin America, burdening their economies, building not only suspicions and fears between each other, but also building on both sides at our expense the power of greater devastation in the event of outbreak of hostilities.

It seems to me what we and the Latin American nations need in the Western Hemisphere is a regional authority with a police force; a force, call it police or however you may describe it—call it self-defense, call it reasonable defense—it will be available for all purposes, at its command.

I need not go into individual nations and how we are burdening their economies with unnecessary, unneeded burdensome armaments races. My amendment would stop all military assistance on a nation-to-nation basis, and make the amounts available, subject to administration approval and disbursement, to the Organization of American States.

As the doctor says, it is simple and easily understood, and I shall not belabor the point.

I offer the amendment and ask that it be considered.

The CHAIRMAN. Any discussion on that amendment?

INTEGRATED REGIONAL DEFENSE FORCE

Senator LONG. Does that amendment contemplate setting up something of an integrated regional defense force?

Senator GORE. Yes, indeed. I propose that the amounts contained in the bill be authorized; of course that means that it is made available, provided the proper organization and other requirements are met, to the Organization of American States.

Senator LONG. In other words, it would be possible for you to organize a force that would contain American volunteers, Mexicans, Brazilians, Cubans.

Senator GORE. Such provision is made, as I understand it, in the Rio Pact already accomplished.

Senator LONG. But you can have such an integrated force?

Senator GORE. That is my understanding.

Senator LONG. I would like to know all the details, but I am for it. I am for the principle, and I will vote for it.

Senator GORE. Well, the principle is really what I am asking for here, because eventually we must come to that, it seems to me.

Senator LONG. What I have been trying to say ever since I worked with this unit is that I never had the privilege of working with the Marines during the war, but I did have the occasion to work on a number of occasions with the 3d Division, which took more casualties during the war than any other. It was the one about which the famous book by Ernie Pyle was written, and—in the amphibious force you have with these Army boys I came to know them.

The group that impressed me the most of any group I worked with or trained with was an outfit named the Special Service Force. It was an integrated unit of Americans, Canadians, and Norwegians, and I believe that unit did more to build good will between peoples than any other single unit; and qualitywise, it was the best fighting unit I have ever seen.

I do think that that type thing has great possibilities—looking to the future in providing a defense that everybody can count upon if they need it. In other words, anybody who is attacked can look to this force to come to their aid, and if that is what you are trying to achieve here, I do think it would be a far more desirable thing than the way we are using that military aid to the South American countries now.

Senator **Gore**. Mr. Chairman, may I respond to that briefly?

That is one of the aims I have in mind. The aim of this program, certainly so far as the Western Hemisphere is concerned, must be collective security.

Now, if we can achieve that and avoid the embarrassment of getting caught with another Batista, then we will have gained something. We know how ephemeral the political setups are in Central and South America. We know if we deal on a nation-to-nation basis, that our Government must deal with whatever government the other nation has. Some of the most embarrassing predicaments in which we have been involved are in the support of Batista and Trujillo and Perez Jiminez, and this will occur again if we continue this business in Latin America. It seems to me our real air is not to promote an armaments race between the countries but to promote hemispheric solidarity and collective security, and it will serve the further purpose of providing this integrated Western Hemisphere, Organization of American States force.

I ask you: with three ships on the way from Cuba to a Central American country, as we heard rumored the other day, what good would it do if the Chileans had a submarine fleet at our expense? But if the Organization of American States had a few submarines and a few planes, it could exercise some real hemispheric policing.

Senator **Long**. Of course, you would have to establish a command, but that is one of the details you would have to work out, if your amendment is adopted.

Senator **Gore**. I think that the treaty already in existence provides the mechanism; it might need some refinement.

Senator **Capehart**. Will the Senator yield?

Senator **Gore**. Yes. I have finished. I yield to you.

Senator **Capehart**. Mr. Chairman.

The **Chairman**. The Senator from Indiana.

THE PSYCHOLOGY IS NOT GOOD

Senator **Capehart**. I don't see any particular connection with Batista and dictators and what we are talking about, because we do not have the right or the power to say to any sovereign Latin American country that it cannot have an army, guns, or ammunition.

All we are saying here is that we are not going to give them any military support. So then they proceed to buy their guns and ammunition and equip their own armies either from the United States or from someplace else. So you are not going to deny them; you can't deny them the right to have an army.

Senator **Gore**. I wouldn't; but I wouldn't give it to them.

Senator **Capehart**. Now the question gets down to this:

As I said the other day, there is the psychology of the matter. Here we are giving economic aid and defense support and military aid to all the little countries in the Far East and Middle East, and then we say to our friends in Latin America, who consider themselves sovereign nations, "We are not going to do anything for you."

Now, the psychology is not good, and I don't think we ought to do it. I don't see any connection, as I said a minute ago, between this and your dictators or your revolutions.

I am in favor of a separate police force, or whatever you might call it; at least I am in favor of considering it, if it isn't possible to set it up.

The CHAIRMAN. Will the Senator yield?

Senator CAPEHART. Yes.

SUBSTITUTE AMENDMENT

The CHAIRMAN. I want to call attention to the amendment drafted by the staff which is an attempt to reconcile or incorporate in one amendment at least the principle of the Senator from Tennessee, without going as far. We want to turn it in that direction.

This is an attempt to bring together Senator Gore's idea. Also, Senator Smathers has this same idea in one of his amendments, and yet it doesn't go so far as to eliminate all the ordinary assistance.

The sum as fixed is $67 million, and the thought of this was that we wouldn't go any further along the road of contributing to their national programs, but we will try to turn it in the direction of an OAS.

If this should work, my idea is that we would gradually cut out that represented by $67 million, and build up on the other thing.

This is an attempt to compromise the two thoughts, and I want to draw your attention to it.

Senator MANSFIELD. Mr. Chairman, I think the Senator has made a good explanation of all the amendments which have been proposed covering this matter. It doesn't go as far as Senator Gore's amendment. I will vote for it if it comes to that, but I think this would be preferable, because it scales down considerably the amount of military aid this year.

It allocates almost $30 million to OAS, and for the first time it would strengthen and give in that outfit some bone and muscle.

So I hope that this amendment can be accepted, and I would like to offer this as a substitute.

Senator HICKENLOOPER. Which is that?

The CHAIRMAN. It is printed here; it is the one behind.

Senator HICKENLOOPER. It is the second page. The staff memorandum.

The CHAIRMAN. Just a second; the Senator from Montana offers this amendment as the substitute for that of Senator Gore.

Senator SPARKMAN. Will the Senator yield to me?

Do you still have the floor?

Senator MANSFIELD. No.

Senator SPARKMAN. I am sorry.

The CHAIRMAN. The Senator from Iowa wishes to say something.

PROVISIONS OF THE RIO TREATY

Senator HICKENLOOPER. I merely want to clarify for our thinking what the Rio Treaty provides, and I think it would be well to read it to see just where we are.

The CHAIRMAN. Yes.

Senator HICKENLOOPER. Article III of the Rio Treaty is as follows:

> 1. The high contracting parties agree that an armed attack by any state against an American state shall be considered as an attack against all the American states, and consequently each one of the said contracting parties undertakes to assist in meeting the attack in exercise of the inherent right of individual or collective self-defense, recognized by Article LI of the Charter of the United Nations.
>
> 2. On the request of the state or states directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the contracting parties may determine the immediate measures which it may individually take in the fulfillment of the obligation contained in the preceding paragraph, and in accordance with the principle of continental solidarity. The Organ of Consultation shall meet without delay for the purpose of examining those measures and agreeing upon the measures of a collective character that should be taken.

There is a definition of the area contained in this treaty which takes in the whole American territory.

Mr. Chairman, as far as the proposition of Senator Gore is concerned, I think the objectives are completely worthy. I favor those objectives. I think we have a mechanism here which has been started in the Rio Treaty, which can be implemented.

By the same token, I am not sure that it would be wise to go as far as Senator Gore proposes at this particular time, considering the psychology and temperament of the Latin Americans.

I haven't read the staff's compromise proposal yet, but I am perfectly willing to go along toward some kind of stimulus to this idea if it can be properly worked out.

I think it would be a mistake for us at this time to say that we cut off all military assistance to any Latin American country. I agree with some of the things Senator Capehart said about their feelings about it. They are a very temperamental people and a very proud people. When you get right down to it, it has been my experience that probably some of those Latin American states hate each other much more than they hate the United States. There is rivalry among the Latin American countries which is very intense, and we have a proposition that would have to be worked out, I think, in preliminary detail.

How are we going to tell what is a legitimate national government of a country? Are we going to freeze the status quo as it is now? Are we going to recognize the fellow with the beard down in Cuba as a sanctimonious lover of liberty? I don't think he is. I think he is politically immature and politically dangerous, and I think he has a bad group around him. I am not prepared to support him today any more than I was prepared to support Batista.

Are we going to say that Trujillo in the Dominican Government is the sacred cow and head of government, that we are going to hold on here and not permit anybody to do anything?

I think it would be very helpful if the people of the Dominican Republic could change that government. I don't think we ought to become a party at this moment to freezing the status quo in government organizations.

REVIEW OF LATIN AMERICAN POLITICS

Now, let me illustrate what has happened, in my view, in Latin America over the last 8, 10, or 15 years.

The first President of Ecuador that ever served out his term in 120-some years was Galo Plaza. He is the first fellow who ever served out a 4-year term in Ecuador, and that began the stabilizing of Ecuador.

They have had some disturbances at Guayaquil, but apparently they are merely sporadic local things. They have them under control.

As I recall, they are now in their third presidency in Ecuador—including Galo Plaza; their third presidency where the President has served out his term without being thrown out by a revolution.

In Bolivia, the first president that ever served to the end of his term was Victor Paz Estenssoro. He was elected and while he was in exile in the Argentine, a military junta took over and forbade him from coming back; but then a revolution occurred and he was called back. He was duly elected—there is no question about that. He served out his term.

In my view, his successor today is probably a man much better than even Paz Estenssoro for the things that most of us believe in. He wasn't a Communist, as a lot of people thought he was, in my view, but they are now in the process of trying to complete a second administration in Bolivia. Paz Estenssoro was the first fellow in some 128 years of the independent history of Bolivia who ever served out his term. In 125 years they had 128 heads of state in that country. We are making some progress.

I am not a great admirer of Betancourt in Venezuela, contrary to the opinion of a lot of other people who don't seem to feel this way. I don't think Betancourt is necessarily our kind of people. He has been elected President. They had a dictatorship in Venezuela. I think Betancourt is on the other side of that fence.

I hope he works out all right, if he doesn't start meddling around in the affairs of other Latin American governments.

There is a hassle in Nicaragua. I happen to think that the Somoza boys are trying to do a good job. They are trying to live down the dictatorship of the old man, and I think they have a dream about completing 4 or 5 years and getting through this law that will permit any member of the Somoza family from holding the Presidency. The last election was a fairly free election, and very free compared to normal elections that used to go on in Nicaragua. Maybe there is some hope there.

If it is overthrown by a revolution, the Lord only knows what will take place there.

You can go into Colombia. Colombia has made some progress despite the fact that the fellow they elected some 6 years ago, the President they threw out a year or so ago who went in with a great deal of hope and idealism, became a dictator. Power was just a little more than he could take. They threw him out. There are a lot of good people in Colombia, very fine, highly intelligent people who have the interest of their country at heart, I am sure, and want to settle these things.

We are having trouble in the Argentine. What will happen there, I don't know; a lot of it is economic, but if we say to them—and this is the objection I have to the immediate adoption of Senator Gore's amendment, although I am in utmost sympathy with this thing, if we could get a reasonable force developed that could preserve law and order under the Organization of American States, that is all right. But I think we have some more spade work to do, some more ground work to do in the Organization of American States in getting them to go a step or two further in assuming this responsibility, and setting up a framework in which we can do it.

THE CARROT IN FRONT OF THE DONKEY

It is possible that we may hold out today, and I am not opposed to going along with a reasonable amount of money held out as bait to them——

The CHAIRMAN. Carrot.

Senator HICKENLOOPER [continuing]. A carrot held out in front of the donkey to encourage a solidification of the Organization of American States. But there is a whale of a lot of diplomatic and political arrangement that has to go on here before we would be justified in attempting to freeze the status quo for any of these governments. There is a lot of stabilization that has to go on, and is going on in South America; how to handle it, I just don't know. I don't know that anybody knows all of the answers, but I think if we work through the Organization of American States and can get resolutions and acceptance on that score, to a greater degree than is contained in the Rio Treaty—some more detailed programs and plans and willingness to accept this—I think that would be a first step.

Otherwise, if we attempted to force the setup of an armed group or a military force to preserve peace in the American states, we would again become more the colossus of the North and the American power would be moving in, because it would be our power that would be moving in.

If you have trouble in Colombia, you can't use Colombian troops to put it down; they won't do it. If you have trouble in Peru, you can't use Peruvian troops. You have to get your forces from somebody not native to the area. They are not going to go in there and fight their brothers and sisters; that is one of the difficulties that always confronts us in an international police force in the world today. There has been no solution to the problem of how to set up that force and what it is going to be composed of.

I am not against the principle. It is a desirable goal, but there are some preliminaries we ought to go through. Maybe we can hold out a little carrot in front of the donkey here and do a little leading, perhaps, but to cut this off in one fell swoop—I don't think I could support it.

The CHAIRMAN. The Senator from Vermont.

STAFF AMENDMENT

Senator AIKEN. Mr. Chairman, I have been studying this staff amendment, which has been before us, and it seems to me that that comes nearer to meeting our requirements and our desires and our potential than anything else which has been offered.

This amendment first takes $29.5 million from the requested $96.5 million for military assistance, leaving $67 million directly available to be used as has been used in the past.

This $29.5 million shall be available during the coming year, only for assistance to military units committed to an international military force under the control of the Organization of American States.

Now, whether any of that would be used or not, or under what conditions it might be advisable to use it nobody can tell.

However, the proviso in the amendment makes it possible to transfer this $29.5 million from military assistance to economic development in

Latin America in the event that it is not used by any units under the direction of the American states.

It seems to me that goes farther toward what we are trying to achieve, realizing, too, that this will have to go into conference. I move that it be substituted for the Gore amendment, which I couldn't vote for for the reasons set forth by Senator Hickenlooper, and others, although we all feel that we should start in that direction. We can't go there today.

Senator **Hickenlooper**. If the Senator will yield again, I will say I am not opposed to the objectives, but there are some preliminary steps we have to take. I wonder if there is any device that we might use in here to express our hope that the Organization of American States would get together and take under immediate consideration the strengthening of mutual security from a practical standpoint; I don't know.

We have done it as far as the common market in Europe is concerned; we haven't hesitated to express ourselves on that. We have done things of that kind in the past, and I think it probably had some very beneficial stimulus in connection with their activity.

Senator **Aiken**. This staff amendment has a very broad hint, further than that we could elaborate on it in the report. I think it is contained in this amendment.

The **Chairman**. If the committee approves this amendment, then we could draw up a short statement on the policy part of it to supplement and to give voice to it.

Is the Senator from Vermont through?

Let me get the parliamentary situation.

Senator **Mansfield**. I second it.

The **Chairman**. The Senator from Vermont moved that this amendment which was prepared by the staff, who were trying to put together the essence of various other amendments; it did not originate with the staff.

Senator **Aiken**. It comes nearer to what we mean.

The **Chairman**. The Senator moves to substitute for the motion of the Senator from Tennessee, and the Senator from Montana seconds it.

Does the Senator from Alabama wish to be recognized?

Senator **Sparkman**. Yes. I think the staff has done a very good job in combining these suggested amendments. However, there is one point that I want to make.

REDUCE APPROPRIATIONS

In the current fiscal year we are spending $67 million for arms in Latin America. Now, this would provide $29.5 million for the OAS.

Senator **Aiken**. The bill provides $29.5 million in addition to the $67 million.

Senator **Sparkman**. Yes; I realize that. But I am approaching it from this standpoint.

Senator **Aiken**. All right.

Senator **Sparkman**. There is $67 million for the present year.

Now, we propose to change our concept of the kind of military setup there ought to be in Latin America to throw a great part of the burden on a military organization under the OAS; in other words, an international police force under the OAS.

If we do that, I see no reason in the world why we should continue to appropriate as much money for the military assistance program to Latin America.

Remember that the Latin American subcommittee of the House committee recommended a pretty severe reduction, if I recall correctly; I don't remember the figures, but with reference to armament, and I believe——

The **CHAIRMAN.** What did the House do, will somebody look that up?

Senator **SPARKMAN.** I believe the House committee, in reporting out this bill, cut the Latin American appropriations.

If we are going to spend or make available $29.5 million to implement a force to give protection to all the different areas, I don't see why we should give them exactly the same amount we are giving them this year.

Senator **HUMPHREY.** I don't, either.

Senator **SPARKMAN.** I suggest, and in fact I will offer it as an amendment to the substitute—I think that would be in order—that we let that $29.5 million stand exactly as it is, but reduce the $67 million to $52 million, which would be a reduction of $15 million.

Senator **AIKEN.** You get into the question of sensitivity there; that is the reason, I believe, the $67 million is left there.

Senator **SPARKMAN.** We would still be giving them in total more than we are giving them at the present time.

Senator **AIKEN.** But they wouldn't be getting so much for the same amount.

Senator **SPARKMAN.** We would be giving them $81.5 million as opposed to the $67 million.

RESERVATIONS ABOUT STAFF AMENDMENT

Senator **CHURCH.** Mr. Chairman, I have some amendment here and I have been very interested in this.

Let me say first of all that I wholeheartedly concur in what Senator Hickenlooper and Senator Gore have said. I just call the committee's attention to the fact that this military assistance program in South America has tripled in 3 years, and this in face of what is officially said to be the policy of this administration to encourage the reduction of the military establishments within these countries.

I have some reservations about this committee amendment, although I think generally they have done a fine job in piecing together the various ideas and proposals that have been made. But I originally offered a very mild amendment that merely would have held the military assistance program to the present level and would have cut out $29.5 million, which is the proposed amount of the increase for the coming year.

Now, as Senator Hickenlooper has pointed out, the idea of a collective security force under the OAS is a fine idea, but we are a long way from it. The terms of the Rio Treaty didn't give us a sufficient framework within which to build the kind of force that we would like to see, and it is going to take a good deal of negotiating with these South American countries to set that up.

Just the other day this committee did revise the standards for giving military assistance to South America tentatively by adopting an amendment of mine, and I would like to call the committee's attention to it.

That amendment makes it clear that military assistance can be given to Latin American republics for two reasons, either in furtherance of missions directly relating to the common defense of the Western Hemisphere as approved by the President, or—this introduces the OAS idea—for assistance to military units committed to an international military force under the control of the Organization of American States for the protection of nations against external aggression.

So we have already introduced this into the bill as a legitimate purpose for the giving of military assistance.

I don't think it is realistic to expect that within the coming year we can establish the necessary treaties with these countries that would put a force in being to which we could commit $29.5 million. I just don't think that is reasonable. It is going to take some time.

CHURCH PROPOSAL

My suggestion is this: Let's hold this program to its current levels by authorizing $67 million for military assistance to the American republics, but let's then provide that if the President can make the necessary arrangements to set up such an international force in being within the coming year, he is authorized to take from that $67 million such amounts as he thinks appropriate for the purpose of giving assistance to an OAS force. Then in the overall cost of the mutual security program by reducing the $1.6 billion authorized for military assistance worldwide by the $29.5 million, which represents the amount of the proposed increase in South America, let's effect a saving for the American taxpayers for that amount, as I would do in any amendment which I initially proposed.

I think in that way, we accomplish all these purposes. First of all we give the President authority by establishing an upper limit to spend as much on military assistance in South America as he did this year, but no more.

Second, we permit him to deduct from that amount, if he can make the necessary arrangements, such money as may be appropriate to give substance and assistance to an OAS force in being.

Third, we effect an overall reduction in the amount of proposed increase of military assistance of about $30 million and the overall cost of the program for the benefit of the American taxpayer.

Senator AIKEN. Except, Frank, the staff amendment provides that $29.5 million may be used for economic development.

Senator CHURCH. I object to that on the basis of the fact we are already taking free strides to make new American capital available to South America through the Export-Import Bank, through the World Bank, through the Development Loan Fund, which can make loans to these countries, through the Inter-American Bank which we are going to set up.

Senator AIKEN. We won't get to that this year.

Senator CHURCH. But through the Export-Import Bank, the World Bank.

Senator AIKEN. We won't make the Inter-American Bank available for loans before the end of this year, will we?

The CHAIRMAN. Is Senator Church finished?

Senator CHURCH. I will right away. I think we are taking big steps that will make more capital available in South America for development, and in view of those big steps now in being or about to be taken, it is not necessary to transfer this $29.5 million saving for additional economic assistance; here is an opportunity to effect a modest saving in the overall cost of the program for the benefit of the taxpayers of this country.

WHAT IS THE INCENTIVE?

The CHAIRMAN. What would be your carrot, an incentive for them to move?

Senator CHURCH. The incentive, Mr. Chairman, would be this: First, we have said in the law that this OAS purpose is a legitimate purpose for military assistance.

Second, we have said to the President that he may use such portions of the $67 million authorized as he cares to.

The CHAIRMAN. He may use it.

Senator CHURCH. He may use it, for purposes of supplementing or for purposes of giving assistance to the OAS, if that can be set up within the coming year; but I just don't think it is realistic to expect that we can get it set up within the coming year. It is going to take a lot of negotiating with these countries to firm up the OAS in such a way as to establish an organization that can control a military force in being or readily assemble one for purposes of mutual security.

That is a big thing to do. It is well worth doing, but I don't think we will do it within a year.

The CHAIRMAN. It is well worth starting, but I wonder what gets them off center? That would seem to be the virtue of holding out of the $29 million.

Senator LONG. Mr. Chairman.

The CHAIRMAN. Just as soon as he finishes.

Senator CHURCH. I would be willing to make the suggestion, Mr. Chairman, that we appropriate $60 million, thus effecting a modest reduction in the current level of military assistance programs in Latin America, and make the $7 million available as a carrot to these countries for OAS purposes, at the same time effecting a $30 million saving in the overall size of the program for the benefit of the American taxpayer.

The CHAIRMAN. Senator Long.

CONSTRUCTIVE SUGGESTION

Senator LONG. Mr. Chairman, I would like to ask the Senator from Tennessee to permit my name to be added to his amendment. I think it is one of the most constructive suggestions that I have heard made since I have been a member of this committee.

I have tried time and again to make the point that for the $100 million we spend in military aid for all these countries—it will soon be $100 million—we may not get a single soldier to help us if we have to fight for our own defense.

Now, Senator Humphrey made this point after he went around the world, and that has been my impression, because it makes sense. People in all these smaller countries don't have any atom bombs; one atom bomb or hydrogen bomb on one of these small countries will blow the whole country up. The idea of their entering a war with the United States fighting it out with the Soviet Union and getting themselves involved in that kind of a fight which is after all the big fight we have to worry about, with so little that they have, is rather ridiculous. They are going to sit it out. They are going to consult, they are going to advise and they are going to wait, because they don't have what it takes to make a major contribution to the outcome of that fight. There is not a single American republic that does.

Now, what could you do to make this military money be used in such a way that not only those countries could get some benefit, but so that this country might benefit some day? How could that be worked out?

Well, you could establish an international force under the control of the Organization of American States, by a majority vote, and set up a commander which says that if any one of these countries is attacked, this force is available to defend it. You train it and make it sufficiently competent, and make a force into which, like the Commandos or the Rangers or the special service, you have to be a trained soldier even to go in; you have to be a professional fighter to even join it. You have a good commander, and over a period of time you could entrust such a force with atomic weapons, and you could have a force that could be useful to you someday for your money, $100 million a year—in 10 years that is $1 billion. You might really get something for the $1 billion.

Our costs for a division run over $100 million. Our rule of thumb on manpower and on armed services is that you can figure $5,000 per man—family benefits and that sort of thing—and $5,000 for weapons. That means $10,000 per man per year to do something.

All you have here is $67 million, or $29 million on top of that. If you are going to take $29 million only you are in position to organize a force of 2,950 men provided that you equip it by U.S. standards, and I wouldn't want to downgrade our forces. If our boys are going to serve in it, you are going to upgrade the man to the highest level enjoyed by any nation rather than downgrade it to any level enjoyed by any nation.

If you want to establish an international police force which would achieve the purpose Senator Church is talking about of protecting this hemisphere, and each nation from external invasion of any sort, there is where you can establish it and achieve that purpose.

You have this $100 million here; some of these nations may not come in, but my guess is that others will.

Now aside from that, all you are going to get for this $67 million is to provide some dictators with tanks and planes with which to murder their own people when their people try to throw them out. We did that for Batista, for Jiminez.

Senator GORE. Or attack their neighbors.

TAKE THE RISK

Senator LONG. Yes; or attack their neighbors. And the fact of the matter is that it seems to me one of these days we are going to have to start taking the risk and accepting the risk; some of these days these crooked, corrupt thieves in charge of some of these nations actually may be deposed. I think we ought to take the risk that those who depose them might be on our side, might actually believe in democracy, if we lose one of them as we did in Guatemala and the Communists take over.

[Discussion off the record.]

Senator LONG. We can have some defense of our ideals and idealism, and with an effective force. Here is a point where we could start beginning to consolidate these alliances so that one of these days if we had to fight, people all over the world could come to our assistance with modern weapons.

Here is a chance to start. Aside from this, if we spend the money the way it is proposed even by the Senators who are arguing for it, we are just spending it for psychological effect. We don't expect to get any defense value at all.

It is like a cartoon that Bill Mauldin drew during World War II when he had boys shooting away at Anzio, and as they shoot this big gun, one kid takes the empty shell cases, about this size, and making a nice walk to keep the boys' feet out of the mud. he said, "Four or five more and we will complete this walk." Not expecting to hit anything, but just shooting them over there, but because we hadn't enough shell cases to lay out a walk, shoot a few shells over there and we will complete the walk which the G.I.'s thought was amusing, because that is about the way they did, because if they run out of sidewalk or boards, fire some shells out there and make it out of empty shell cases.

That is all we are doing with this $67 million the way it is now, but here is a possibility of actually doing something constructive and if they don't want to use the money they don't have to.

What I have been trying to contend is that after a hundred years of experience with Federal aid to States which are supposed to be sovereign in some respects at least in this Union, and which do possess some elements of sovereignty, we have learned that you have to set firm standards and make people comply with them before they get the money. If you make a firm deal and you pursue it, you might get somewhere, and actually get something for your money. That is why in my judgment Senator Gore has a logical starting point for a fine proposal.

I think that if you are going to start it you ought to propose something big enough that it might amount to something.

If you gave them the whole $67 million for this purpose, that would still support only a force of 6,700 men, which is one-half a division; and if you make it any smaller than that, gentlemen, you might as well not even talk about it at all.

Senator CHURCH. Will the Senator yield?

Senator HICKENLOOPER. Will the Senator yield?

Senator LONG. Yes.

Senator HICKENLOOPER. I just want to suggest that your argument may be perfectly true from a factual standpoint, but you are arguing that we are going to pay the whole bill, that these countries aren't going to contribute to this.

Our making available a certain amount to a force under the Organization of American States certainly should take into consideration that the other American States should make a fair contribution of their own. So far as I am concerned, I won't support it for a minute if we are going to pay the total bill, if they are not going to come in and do something on their own. So that becomes a matter of negotiation, and whatever we can get them to do; but I certainly think they ought to put in a substantial amount.

PROBLEMS OF AN INTERNATIONAL POLICE FORCE

Senator KENNEDY. Mr. Chairman, I would like to support Senator Church's amendment.

In the case of NATO, which is a far more intimate relationship than exists in South America, our military aid even today is bilateral, and there is no evidence that the Organization of American States is ready to set up what amounts to an international police force.

I think that the splits between them are so substantial that we are at least some years away from that.

Let's take the case of Russell Long. If there were a Communist regime in Guatemala and you wanted to invade it, you would get into all the problems then of the international police force arrayed against us. That may be an outside possibility, but even among the more important South American nations there is no evidence that unanimity exists among the Organization of American States to provide an international police force.

They do a good job of sending missions into these countries to investigate and the force of public opinion is brought to bear. I think that is the kind of action they would most likely be equipped to take during the next few years; if there is unanimity, then some of us could contribute to the international police force.

Second, I don't think giving this aid to South America is to strengthen them against the Soviet Union. The armies are the most important unit, and if it is important for us to have a liaison in the number of countries involved, it is worth $67 million, which is down the drain in a military sense, but in the political sense we hope they make effective use of it.

Then we ought to try to see what we can do to strengthen the Organization of American States, rather than apply so large a sum to it, which I don't think will be used.

I think the amendment suggested by Senator Church would be more in accordance with the actual events.

The CHAIRMAN. That is the last amendment of $67 million.

Senator CHURCH. Mr. Chairman, may I state that amendment?

The CHAIRMAN. Restate it, please.

NO DRASTIC REDUCTION

Senator CHURCH. Taking the committee print, this is the proposed amendment that I would like to make, and I would like to say just one brief word about it.

"Of the funds made available pursuant to section 103(a), not more than," strike $67 million and put $60 million. This would effect a very modest reduction in the current level of spending for military assistance in South America. But it would eliminate entirely the proposed increase, and effect a $7 million reduction, thus reversing the trend.

It would not have any drastic effect in South America, because it would not drastically reduce the current level of spending there.

Now, to go on from there: "may be obligated for military assistance in American Republics during the fiscal year 1960, and an additional $7 million"—striking $29.5—"an additional $7 million shall be available during the fiscal year 1960 only for assistance to military units committed to an international military force under the control of the Organization of American States."

This is the carrot, an inducement toward the establishment of such an organization.

I would like to say with respect to Senator Long's point, that even if we can ultimately achieve such an organization, I don't think it will necessarily be a large military force in being, nor would it have to be, because its purpose is to protect individual republics from external aggression within the hemisphere. Therefore it is not likely, as I envision it, that it would be a very large force.

Moreover, I agree with Senator Hickenlooper that we won't be the only country contributing to it, so the American commitment would not be too large. Anyway, the $7 million would be meant as a carrot.

The CHAIRMAN. Kind of planning money, as they call it.

Senator CHURCH. Kind of planning money.

Senator AIKEN. Spending money.

[Laughter.]

SQUEEZE SOME WATER OUT OF THE PROGRAM

Senator CHURCH. Finally, Mr. Chairman, I call the committee's attention to page 11.

The CHAIRMAN. What do you do about the proviso?

Senator CHURCH. I would strike the proviso.

Then calling the committee's attention to page 11, the middle of the page, I would propose to change section 101 of the Mutual Security Act to reduce the total amount of military assistance program by the amount of the reduction effected in Latin America, so that the total amount of $1.605 billion proposed by the administration would be reduced to $1.570 billion, this for the purpose of effecting a $29.5 million saving for the American taxpayers. I think here is a place where we can squeeze some water out of the program.

Senator HUMPHREY. Mr. Chairman, may I ask a question?

The CHAIRMAN. Yes. But before you do, hadn't we better consider this amendment alone? The other figure is likely to have other figures on it. For the moment may we just dispose of this?

Senator CHURCH. Yes.

Senator AIKEN. Mr. Chairman, I would like to say one thing more before we bring this up.

There seems to be an assumption that in future years we are going to use atomic weapons primarily, and that any place where Latin American forces would be needed would be Latin America.

It so happens that in the only war we have engaged in since we developed the atomic bomb during World War II, we did not use it, although it undoudtedly would have had the effect of either winning the war or spreading the war; nobody can prove which.

Also, Latin American forces were engaged in this war, which was technically a war between the United Nations and the North Koreans.

So I think we should keep that clear, that we might want the Organization of American States contribution to an international police force because it is unlikely that another war we got involved in would be atomic. It is entirely possible that if it did, all this legislation wouldn't amount to much anyway. We would even get our paper scorched here.

But I just want to point out that there would be other uses for force besides putting down potential revolutions in Latin American states.

Senator **Church**. That is true; there has been nothing inconsistent between the OAS force for that purpose and commitment to an international force.

Senator **Aiken**. I don't know whether it has been pointed out here that we should deny Latin American states the pleasure—or I wouldn't say pleasure, whatever the word is—of having a revolution once in a while. Sometimes they are beneficial.

Senator **Humphrey**. They have been doing quite well with them.

The **Chairman**. Senator Humphrey asked for recognition.

ECONOMIC GRANTS

Senator **Humphrey**. This is a question that relates to the substance of the amendment, but it goes to another part of the bill.

How much is the economic grant portion of this bill for Latin America?

The **Chairman**. Mr. Holt, do you have that before you?

Mr. **Holt**. It is $27.6 million in special assistance, which is not all grant, and $45.2 million in technical cooperation.

Senator **Humphrey**. Technical cooperation?

Mr. **Holt**. Which is grant.

Senator **Humphrey**. So you could say that there is roughly $65 million.

The **Chairman**. That is grant.

Senator **Aiken**. Seventy million dollars in all. It is pretty small potatoes compared to what we put into the rest of the world.

The **Chairman**. Yes; but the lending has been very large in Latin America.

Senator **Humphrey**. My point about lending is that if they can borrow money to build schools they can borrow money to buy arms. If they can borrow money to build sanitary systems which are really nonreimbursable—these are items that are just a public service—they can borrow money to buy arms.

I feel we have a psychological problem as well as a basic economic problem. If you give more money under an arms program under Latin America than you do under a grant program, there is something wrong.

I just met here recently with a group of teachers, both religious and public, who came back from Chile and Peru. The poverty and the inability to find even a classroom or drinking water is incredible, and I can't for the life of me bring myself to vote for a sum of money relating to military assistance in Latin America that is equivalent to the economic grant, because if these loans are going to be repaid, they have to be repaid on the basis of some economic productivity that will lend itself to repayment.

Senator **Aiken**. That is true of other countries and the rest of the world.

The **Chairman**. Not all this $97 million is grant; about a third of that, isn't it?

Mr. **Marcy**. Thirty-nine million dollars.

The **Chairman**. Then $39 million of that is reimbursable.

Senator **Humphrey**. Yes.

The **Chairman**. What is the grant? Break that down, Pat.

Mr. Holt. I want to be sure about it.

The Chairman. I don't want to interpret it, just to clarify it.

Senator Humphrey. It is a point that has bothered me with reference to our whole Latin American program.

Mr. Holt. There is $20 million for credit financing of military sales to Venezuela; there is an additional $19 million credit financing of military sales to two or three other countries; Mexico, I think, is one.

The Chairman. Thirty-nine million dollars.

Mr. Holt. Mexico and Paraguay. Mexico is—I don't have that figure; I am sorry. There are two other countries; I will find them.

The Chairman. That is all right.

TRANSFER FROM MILITARY TO ECONOMIC ASSISTANCE

Senator Church. Mr. Chairman, may I make one additional change in this amendment?

The Chairman. Yes.

Senator Church. I don't want to change it in such a way as to lose the support of the Senator from Massachusetts.

Senator Kennedy. That is all right.

Senator Church. I suggest that the $60 million be substituted for the $67 million, thus effecting the first reversal of the trends and making a modest reduction without serious dislocation in the present program from current levels; that $7 million be included for OAS purposes as a carrot and as an inducement to move in that direction; and then that the proviso remain but that it then read, "Provided that any balance remaining from such $7 million not so used," inasmuch as it is doubtful that it can be used in the coming year, "may be transferred from the military assistance account to the special assistance account, and shall be available under the terms of that section only to promote economic development in Latin America," so the $7 million would not be lost; if it could not be put to the purpose of OAS, then it would be put into economic assistance.

The Chairman. Senator Gore?

COLLECTIVE SECURITY IS THE OBJECTIVE

Senator Gore. Before you vote, Mr. Chairman, to begin with, I shall offer the amendment, and I welcome the support and sponsorship of the Senator from Louisiana on the floor.

Senator Capehart has made a significant point, that there are psychological values involved here. I concur that there are. But those psychological values operate in more ways than one, although I do not believe the Senate would adopt the amendment that I propose, because it is a sharp break and a stoppage of a basically unsound program. I feel the best way to stop it is as quickly as we can; nevertheless, I think to offer it on the floor would have some psychological value for the Latin American countries to know that there is some sentiment in the Senate on this pont.

Our objective must be collective security and hemispheric solidarity within the Western Hemisphere.

Now, as both Senator Long and Senator Aiken have pointed out, these little individual armed forces operating on a purely national basis might be almost useless in a major collective effort.

Coming back to the old illustration that one twig can be broken, many put together become very difficult to break.

Therefore, though to adopt the substitute may be the wisest course for the committee to pursue, I shall nevertheless insist on this consideration on the floor of the Senate.

I think Senator Church's amendment must fail and fall because it is too little, and not exactly too late, but at least it is entirely too little.

This $7 million to the OAS is not a carrot; it is a rather small turnip, and I do not think——[Laughter.]

Senator **Hickenlooper**. A radish.

Senator **Gore**. Or maybe radish is better.

I do not think it would be effective, and it must fail also because it leaves virtually intact the military assistance program which I think is basically unsound.

So between the two, I think the amendment of the Senator from Montana and the Senator from Vermont is preferable, but I still would insist that though my objectives are applauded by everyone, and they say they want to work toward this, the thing to do is to get to it as quickly as possible. We are basically unsound in promoting nationalism and armament races in the Western Hemisphere, and we ought to work toward a collective strength that would be available in a global conflict or in whatever conflict may threaten the Western Hemisphere, whether it is from an outside source or a revolution or disturbance within the country.

Senator **Humphrey**. Would the Senator yield?

Senator **Gore**. I yield.

DEALING WITH A LOT OF TEMPERAMENT

Senator **Humphrey**. I just asked Carl if the total amount of the administration's request was $96.5 million for military assistance. The figures bandied around here have been $67 million, which is the existing level, or $60 million which Senator Church has offered; and I have just been told now by Mr. Marcy that Senator Morse had an idea on this.

Senator **Church**. Fifty million dollars.

Senator **Humphrey**. Upping the economic assistance, and Senator Kennedy is interested in this.

Why don't we take the sum of $49.6 million and divide it up on the basis that you could have your $60 million or $67 million for military, the $7 million turnip or carrot, whatever the Church-Gore combination wishes to call it, and then the amount——

Senator **Gore**. And the Hickenlooper radish.

Senator **Humphrey**. And the $29.5 million for economic grants or economic assistance.

It seems to me that you would be making a real psychological impact with this.

Senator **Aiken**. Will you yield there so that I can point out one thing? If we cut this down to that $7 million, and the $60 million, even though the $7 million is made available for economic development, we want to realize that percentagewise we are cutting Latin America a lot more than we are likely to cut the rest of the world, and we are dealing with a lot of temperament down there.

Senator **Humphrey**. You mean in military assistance?

Senator **Aiken**. That is why I think the amount should be left in here, and the amount for military assistance be made available for other purposes, although it does not necessarily have to be spent.

The **Chairman**. The Senator from Indiana.

Senator **Capehart**. Mr. Chairman, I would offer this suggestion which, I believe, is a very practical one. I think it will meet with fine reaction on the part of the Latin American countries. Where it says "not more than $67 million," we put in $96,500,000, and then down here where you have $29,500,000, we say that of the $96,500,000, $30 million must be used for our contribution toward a separate integrated force.

My best judgment is that they will not be able to work fast enough to get that force organized in the next 12 months, so you will save $30 million.

Now, I think that is something which psychologically will be accepted by the Latin American countries.

You are not reducing the amount asked by the administration. You are saying simply that you are going to give them $67 million of it for military aid, and then we will contribute $30 million, "if you will do certain things toward a police force." Then cut out the economic aid down at the bottom, because I think there is going to be sufficient of that anyway with these loaning agencies.

The psychological effect of doing that is that if any Latin American country says "Well, you cut us from $96,500,000 to $67 million," we will have not done it at all. We simply kept it at $96,500,000, but we would like to contribute $30 million "to go with you if you will get together with us on a police force."

Senator **Hickenlooper**. You say practically that in this amendment, Homer.

Senator **Capehart**. You say it in a positive rather than a negative way.

Senator **Aiken**. You practically effect a cut because they could not get the $30 million.

Senator **Capehart**. You are doing it in a positive way. You are not cutting the $96 million. We are just saying, "We would like to give you $67 million in direct help."

Senator **Long**. I would not offer them that $30 million if they are not prepared to use it up, because the idea might appeal to them just as much as it appeals to us.

Senator **Capehart**. Under my suggestion we are prepared.

Senator **Long**. Frankly, I think yours is as good a compromise as we are likely to get. I am for Albert's, but yours is as likely a compromise that we can work out, and between the two, I would vote for yours.

The **Chairman**. The Senator from Minnesota.

MORAL, POLITICAL, AND MILITARY POSTURE

Senator **Humphrey**. Mr. Chairman, I have not taken much time of the committee on this, but I merely want to say there has been no demonstration, in testimony before this committee—and this is something that some of us have gone through—that justifies militarily the amount of funds that have been requested for military assistance.

There is manifold evidence of the need for really massive economic assistance.

Senator **Aiken**. Yes.

Senator **Humphrey**. And I do not think we make ourselves look any better as a Nation, even in terms of our moral posture or our political or military posture, by putting in $96.5 million into Latin America for military assistance.

It is not enough to provide any assistance anyhow, and everybody knows it. It is at best psychological, and what they need more than psychology right now is a little something to live by. Part of this is for Venezuela. Pray tell me what does Venezuela need more military assistance for? What in the world——

The **Chairman**. She is going to pay for that.

Senator **Humphrey**. If she wants to pay for that that is fine; that is what I said before. If they want to buy it, well and good.

The **Chairman**. He just read that it is not—it is $20 million.

Mr. **Holt**. Yes, sir; on a credit sales basis.

The **Chairman**. Which means they pay for it.

Senator **Humphrey**. That is over and above this $96 million?

Mr. **Holt**. That is included.

Senator **Humphrey**. What kind of a credit basis sale is that? I know there are all kinds of credit sales.

Mr. **Holt**. It is under the provisions of the military assistance chapter of the act.

Senator **Humphrey**. Do they really pay for it, Pat?

Mr. **Holt**. Yes; they pay for it in dollars over a period of I think 3 years; but in order to provide the material and the credit, the Defense Department must have the appropriations because they do not get it on credit; they pay cash.

Senator **Humphrey**. In other words, this is not $96.5 million worth of military assistance.

The **Chairman**. Not in grants. It is $39 million; that is what I asked him a moment ago. It is $39 million of the $96.5 million that is on the basis of being repayable.

Mr. **Holt**. On a credit.

Senator **Humphrey**. That is reimbursable.

Senator **Capehart**. The psychology is to leave the $96 million there.

Senator **Hickenlooper**. What happens to that $30 million when it is paid back? Does it go into the Treasury or does it go into an unscheduled military pot?

Mr. **Holt**. I think it goes back into the military assistance account.

Mr. **Denney**. Back into the military appropriations account.

Senator **Hickenlooper**. Is it another way of fixing the books?

The **Chairman**. I think it is; it helps the military. It is not a grant.

Senator **Capehart**. The reason I like it is that you are offering $30 million if they will cooperate with you in a separate force.

Senator **Carlson**. Mr. Chairman?

The **Chairman**. The Senator from Kansas.

ADMINISTRATIVE OPPOSITION

Senator **Carlson**. After hearing Mr. Shuff for about 2 days, I took a little interest in this and, as I said the other day, I have not been in South America, so I do not know anything about it. But here is their position, and I think it ought to be made a matter of record.

Of the $96.5 million requested for this program, $25 million is for financing sales of materiel for dollars repayable with interest; $14 million for rehabilitation of naval vessels to be loaned by the United States; $22 million to serve for special strategic defense interests in the area; and $9.5 million for training.

Only an additional $26.5 million is being requested to meet the maintenance and modest force improvement requirements in 12 countries.

I think that ought to be made a part of the record in view of their reasons for requesting that amount.

Then I want to read just one more statement. This is in regard to Senator Church's amendment, and it is a comment by the executive branch, which said it strongly opposes the amendment—not the amendment he has today, a reduction of $29.5 million, which would greatly impair the position of the United States in Latin America, and, more important, would be decidedly disadvantageous to the national interest. Such a sharp reduction would render it very difficult, if not impossible, to elicit the degree of Latin American cooperation required to carry out the existing defense plans which are designed to assure the unimpeded flow of strategic material to the United States during time of war, as well as permit the continued use of important United States military facilities.

The record ought to show at least their position on it in view of all the discussion.

The CHAIRMAN. This is a very interesting discussion.

NOT ALIENATE LATIN AMERICANS

To state my own position, I had a very modest ambition to turn this around. I am afraid that if we go far as some of these amendments, we will certainly inspire a determined resistance on the part of the administration and the military, and will have great difficulty in maintaining it.

I think I have the same ultimate objective that several Senators have stated here; we should not have to support these military establishments. But doing it suddenly and drastically, I think we might fail to get anything. The reason I am attracted to this compromise is simply that I think it is more likely to succeed and to get something than to try the whole thing and end up with nothing.

I do not think we will want to alienate the Latin American people and to do it so drastically as to cause great concern, but if we do it mildly and gently, we can turn the nose and the horse around in the other direction.

I really feel that it comes close to doing that.

I would venture to say that if we cut it as far as has been suggested we will catch all kinds of trouble, and we might fail altogether in our objective.

My sympathies are against too much military aid in South America. I think the only real argument is that these are underdeveloped political organizations, and the only discipline and effective organization in many of these countries is the military. You either get along with them, because there is nobody else to get along with, or there will be chaos.

Senator HUMPHREY. That has been our habit in the past, and there is not too much evidence of that.

The CHAIRMAN. We did not create that. These are underdeveloped countries. We have difficulties in this country, when you consider that there are several States of the United States of America that are disaffected, so it is not strange when these states that have no heritage of democratic institutions have difficulties.

We did not create that, but these are the facts of life, whether you like them or not, and I do not know how you suddenly go in and create an effective political organization.

I am more conscious of some of our internal troubles than you are, after 300 or 400 years of experience.

Now, purely as a practical political matter, I would advise against departing too far from the overall program. In all fairness, I believe the proposal submitted and offered by the Senator from Vermont approximates it, and we could get by with it. I do not believe it would inspire any vigorous opposition of the administration. If we get the military really determined against an amendment that we bring in here, we are almost bound to have great trouble in attaining it.

Senator AIKEN. I think it is about as far as we can go.

INDUCE THEM TO DO RIGHT

Senator LONG. How about offering the Capehart proposal which at least, if you word it the Capehart way, gives the impression that dollarwise you are not cutting it; but actually you are.

The CHAIRMAN. My only objection is that I like to have the proviso here. I think this is a rather delicately balanced carrot.

Senator HUMPHREY. I think so, too.

Senator AIKEN. Yes.

The CHAIRMAN. I think it is enough to induce them, and yet I can see there is great difficulty. As Bourke said a moment ago, there is a lot of negotiation being done. We are springing it on them fresh without any warning. Nobody has been talking about this for 2 or 3 years. This is completely out of the blue, and if you just want to throw the money at them, of course, they will take it. But in an orderly way and with due consideration, they are not likely to move very far.

This is some of the planning stage, and I like the proviso. It shows the best will. We are trying not to mistreat them, but to induce them to do right.

Senator AIKEN. When you go to a Latin American port and have to leave the boat in the ocean a mile from the port because you cannot get any closer to land, and then you get a boat and find a large town of 150,000 population where you find, as George and I did, two air-conditioned rooms, and then you go inland, and find they have no roads.

Then you find that the water comes down from the mountains once in a year, and covers them up, and then it comes in from the sea every so often and covers them up. It would seem to me as if $29 million in economic development is just a drop in the bucket.

I agree that if they can get started, most of them can pay a good share of their own costs. But I would not want to go down so low as to cut Latin America below what we cut the rest of the world.

The CHAIRMAN. Another thought: I hope the military can be induced, as we have tried in one other area here, to use their talents for such things as road building and development like our Army engineers.

OFFERING A CHOICE

Senator LONG. I would like to say about this proviso that I would be willing to make this deal with you: I would be willing to vote with you for more economic aid for Central and South America if you would be willing to take that proviso out of there, because I think if we try to do this thing we ought to say, "Here is the money and either we use it or we do not use it. We want this international force, and we have $29 million available for it; either use it or just have it sit there. But here is the $29 million. If you fellows want to work with us on this thing, here it is."

The proviso, I think, tends too much to make people think they have a choice, that they can either go with us and take this international force or else they can hold out and get a second dip on the economic side; so it is a matter of offering them a choice. While dragging their feet they can go along with us on that.

One other thing I would like to suggest here is that the words "units committed to an international military force" be modified to read "units of an international military force."

That makes all the difference, because if we approach it with the word "of" we would not be subject to what we have in France where France commits a unit to NATO just on paper one day, and a day later they say they have changed their minds and are going to send that unit down to Algiers, and make it a French national decision again. I think to say "unit of an international military force" makes a world of difference.

I would like to submit that thought, to have it "committed".

The CHAIRMAN. That raises the question of how we proceed. We must walk before we run.

Russell, when you want to convert this—can we vote on this before we disperse?

Senator HICKENLOOPER. Would you state your proposition again.

Senator LONG. I would like to propose that rather than "units committed to," it read "units of an international force."

That would prevent this money from being used where someone just writes a piece of paper and says, "Here is my first division, and that is committed to the international force," and so we send in the money without his raising any force at all.

This would have to be a unit of a military force which would be under the command of the OAS.

Senator AIKEN. If you put "of" in there, you are assuming that the international military force is already in existence, would you not?

Senator LONG. No; it would have to be established. I would like to make it clear——

Senator CAPEHART. I would suggest that we permit the staff to draw the language, because the best you could hope for is to say to the Government, "We are appropriating $30 million for you to use in cooperation with Latin American countries providing they will do certain things. You set up an agreement between all the countries to do it."

A PRYING POLE

The CHAIRMAN. What would be the alternative, "committed to" or "part of," so the administration or whoever does try to work it out——

Senator LONG. Frankly, if worst came to worst, they could still use the system which I would oppose; but the use of the word "of" rather than "committed to" makes possible, and implies that we want an integrated joint military force, and it gives us a prying pole to words that you just not go and say, "All right, now Costa Rica, you designate that battalion, and Mexico, you designate that battalion, and we will ship you the money," without organizing or integrating anything, you see. In other words, I think we ought to try to get away from the situation we have in NATO where somebody commits a unit to you one day and the next day gets mad and withdraws it; that would give us the opportunity to press for an actual joint force.

The CHAIRMAN. The trouble is that we do not know whether you would have any NATO at all if we used your language. I do not know whether these countries would have committed everything if they had to merge their forces into a common pot; I do not know.

Senator LONG. Not merge.

The CHAIRMAN. I am not arguing with you. It is something I do not know about, but it is something that ought to be taken into account.

Senator LONG. But the kind of thing I am arguing is that you are wasting your time with the proviso unless you have it this way. We had a Special Service Force, a corps of highly trained men, and the 3d Division was taking an awful kicking around on the Mussolini Canal at Anzio. They pulled this force out, and put the Special Service Force in, and although they had 1,500 men, they gave the Germans a whipping, where the 3d Division with 15,000 could not do it. Even a small force that is international in character and owing allegiance to OAS would be very useful.

Senator AIKEN. Using a term used in grain storage, a commingled force, you would have a sort of Latin legion there.

Senator LONG. That is right.

Senator AIKEN. I do not know, Russell, what the language would mean. I can see your point.

Senator CHURCH. Russell's language does strengthen our objective a little bit.

Senator AIKEN. Well, as the chairman states, make the funds available to military units committed to or a part of an international military force; I do not know enough about it to know which it should be at this particular part of the game. If we go into conference we will know.

Senator CHURCH. Mr. Chairman, Harmon Killebrew, who is easily the most famous Idaho Senator in Washington, is coming to lunch, and I am supposed to be there.

The CHAIRMAN. We all have lunch at 1 o'clock.

Senator CHURCH. I am late by about 10 minutes.

The CHAIRMAN. You were supposed to come to the committee luncheon today. You are running out on the committee, too.

MODIFICATION OF THE AMENDMENT

Senator CHURCH. Mr. Chairman, if the motion has not already been made, may I move that the committee amendment be adopted as it is presently written, with the exception that we add to the words "committed to"—for "assistance to military units committed to" add "or part of" an international military force under the control of the Organization of American States.

Senator AIKEN. Does that suit you?

The CHAIRMAN. It is in the alternative.

Senator CHURCH. I have no objection to Senator Long's point.

Senator LONG. I am really urging the word "of," and if the amendment is adopted you can talk about this matter of "committed to" in conference and change it if you have to.

The CHAIRMAN. We can put it in the report urging them to do it, but not put them in a straitjacket when we know as little as we do. We have no testimony on this to speak of, just casual conversation; I was hoping we could turn them around and get this before everybody, and have it considered. I cannot imagine that they can go very far in this direction right off the bat.

Senator AIKEN. What do you think of adding the words "to a part of"?

The CHAIRMAN. I think what Frank says is a good compromise, Russell. It puts yours in, and the report can say that we hope it moves in this direction.

I will guarantee that if this is accepted this time next year it won't be clear off the ground, and we will have plenty of time to review it.

Senator LONG. If you will let me have the veto of what the committee report says on the subject I will go along with it.

The CHAIRMAN. We will show it to you.

Senator AIKEN. At the same time I would be glad to modify the amendment as Frank proposes.

The CHAIRMAN. The Senator accepts the amendment proposed by the Senator from Idaho. Can we vote on this then? All in favor of this—should we have a roll call or not?

Senator LONG. Mr. Chairman, does this come to substitute for the Gore amendment?

The CHAIRMAN. That is correct.

Senator AIKEN. That is right. We still vote on the substitute.

Senator LONG. I cannot vote for it on this basis because I am for the Gore amendment.

The CHAIRMAN. All in favor of the motion of the Senator from Vermont say aye.

[There was a chorus of ayes.]

The CHAIRMAN. Opposed no.

[There were two noes.]

The CHAIRMAN. The ayes have it.

Now then it recurs, as amended by the substitute of the Senator from Vermont.

All in favor of the motion from the Senator from Tennessee as amended, say aye.

[There was a chorus of ayes.]

The CHAIRMAN. Those opposed, no.

[There was no response.]

The CHAIRMAN. The motion is adopted.

All right. At 3 o'clock we will be in the other room. You all know we have provided lunch, and some of you are not coming, but at 3 o'clock we will go for an hour and a half, when the Ambassador to the Sudan is going to instruct us on the Sudan.

[Thereupon, at 12:25 p.m., the committee recessed to reconvene at 3 p.m., the same day.]

AFTERNOON SESSION

The committee reconvened in executive session at 3:20 p.m. in room 4221, NSOB, to continue its markup of the Mutual Security Act.

Present: Senator Green (presiding), and Senators Mansfield, Church, Wiley, Hickenlooper, and Capehart. Senators Fulbright, Sparkman, Kennedy, Aiken, and Carlson later joined.

For record of proceedings, see the official transcript.

[After consideration of the Mutual Security Act of 1959 and its amendment, the committee recessed at 4:35 p.m.]

BRIEFING ON SUDAN

[EDITOR'S NOTE.—Sudan, a former British-Egyptian protectorate, became an independent nation in 1956 and held its first general election in March 1958. In November of that year, Lt. General Ibrahim Abboud led a coup that toppled the government of Abdulla Kallil. Abboud became premier and ruled through a military council. By March 1959, Abboud had gained full power by removing rival members of the council, and began to move Sudan closer to an alliance with Nasser's United Arab Republic. Also in March 1959, President Eisenhower requested large grants of American aid for Sudan, one of a group of nations he listed "whose freedom and stability are so important to us."]

WEDNESDAY, JUNE 10, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to recess, at 4:35 p.m., in room 4221, New Senate Office Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Sparkman, Gore, Church, Hickenlooper, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Henderson, Mr. Newhouse, and Mr. Cohen, of the committee staff.

The CHAIRMAN. This is Mr. James S. Moose, who is presently our Ambassador to the Sudan. He was previously Ambassador to Syria, and for longer than 25 years he has been concentrating largely upon the affairs of the Arab world.

Is that not correct, Mr. Ambassador?

Mr. MOOSE. That is correct, sir.

The CHAIRMAN. There is one other great asset in his favor. He was born in Arkansas, and is one of the few, if not the only Ambassador I know of, that has that distinction. He left at a rather early age——

[Laughter.]

The CHAIRMAN [continuing]. And for some unknown reason chose Arabic for his specialty, and many years ago attended the Sorbonne and specialized in the Arabic language. Arabic has a great deal in common with the language spoken in the Ozarks.

[Laughter.]

The CHAIRMAN. Mr. Moose, we are delighted to have you here, and you can proceed in your own way subject to questions if and when any member wishes to put one.

Would you start out with the Sudan?

STATEMENT OF HON. JAMES S. MOOSE, JR., AMBASSADOR TO SUDAN

Mr. MOOSE. Thank you, sir.

The CHAIRMAN. Don't confine it to Sudan. Any time you think you would like to tell us about India, you may do so.

Mr. MOOSE. Thank you.

The Sudan became independent on January 1, 1956. It really entered into history about 1820 when the Egyptians sent two military expeditions into the Sudan for various purposes, one of which was to discover the headwaters of the Nile and to stake a claim into the upper reaches of the Nile Valley.

It was administered by the Egyptians from 1820 to 1885, and after an uprising, which was religious as much as political, order was reestablished by a joint Egyptian-British expedition in 1898. It was under a kind of dominion which was in fact British administration from 1898 until 1956.

The Sudan became independent after World War II in considerable part as a result of agitation on the part of the Egyptians, the Egyptians claiming that the Sudan and Egypt made up the Nile Valley and that there was unity of them; they demanded the British withdraw. The British did withdraw, and the Sudanese were given an opportunity to ask for independence, and they did so.

The Sudan has four major problems. Finding a political system that suits their conditions and establishing a stable administration is perhaps the foremost of all their problems. They are having some economic difficulties at the moment due to an economy based largely on a one-crop system, and that crop is cotton. There is a considerable difference in the people in the North of the Sudan and the South.

THE RELIGIOUS MAKEUP OF THE SUDANESE

The people in the North of the Sudan are Moslems and are Arabicized, if not Arabs; those in the South are purely of African origin, an admixture of outside blood, and they are in large part pagans.

In foreign affairs the Sudanese, have——

Senator GORE. Did you say large part pagan?

Mr. MOOSE. Ninety percent is the usually accepted figure in the South Sudan. Around 10 percent Christians, 90 percent pagan; the number of Moslems is trifling.

The CHAIRMAN. That is Southern Sudan?

Mr. MOOSE. That is Southern Sudan. About one-third of the country, both areawise and populationwise.

Senator GORE. Is Northern Sudan heavily Moslem?

Mr. MOOSE. Almost entirely. There are a few Christians and some Jews, but it is almost wholly Moslem.

Senator CHURCH. Are the people of Arabic extraction in Northern Sudan?

Mr. MOOSE. They are in part of Arabic origin, but they have more taken on Arab coloration than being of Arab origin. They are mixed; they are Arabs; they are Turks, Albanians. There is one small group of people whom they call Magyarabs, which in the variety of Arabic spoken in the Sudan means the Hungarian tribe, because at one time the Turks—I say Turks; the Egyptians, when they were Turkish vassals—introduced some Hungarian troops into the Sudan, and there are now people who now call themselves Magyarabs, indicating they are of Hungarian origin.

Senator CARLSON. Mr. Ambassador, I believe you said the southern part of Sudan was 10 percent Christians. What is the background of that? Where does it come from?

Mr. MOOSE. There has been extensive missionary activity in the Southern Sudan since about the 1840's. The first missions that went there were Catholic missions sent out from Italy when Northern Italy was under Austrian rule, and frequently they were referred to as the Austrian missions when they were in fact Italian. Later on the Protestants came in; there are about four different Protestant missions working in the South Sudan. The Catholic mission is the largest of all.

The CHAIRMAN. I wonder if you would describe the present government and give us your views about why the effort at a democratic parliamentary system failed. I think that is very interesting.

SUDAN'S GOVERNMENTAL STRUCTURE

Mr. MOOSE. The present government is frankly and openly a military government. It overthrew the parliamentary and constitutional government on November 17.

Their reason for doing so, as announced by the new government, was that the old government had been confused, had not known what to do, and had tended to do nothing; it had gotten the country into a difficult economic situation, and the Army was taking over in the national interest to straighten affairs out.

On the whole, the new military government has been as efficient, perhaps in some respects more efficient than the one that preceded it, and they have improved the economic situation.

On the other hand, the bad economic situation was in part due to the difficulties inherent in a one-crop system, and I think those difficulties will plague them for many years to come.

I think the reason for the failure of the previous constitutional government was that the Sudanese did not have either a tradition or any basis for a rule based on popular consent. The nomadic people, both in North Sudan and in South Sudan, were completely uninformed about the issues before them. The candidates for office did not always enlighten them. They are mostly illiterate.

The CHAIRMAN. How much literacy?

Mr. MOOSE. The census of 1956 gave the result, 97 percent illiterate, 3 percent literate. The generally accepted figure is 95 percent and 5 percent.

Among many of the people who were completely uninformed, the elections meant nothing at all.

They are more accustomed to a paternalistic government and authoritarian rule. They had it under the Egyptians and they had it under the British, and authoritarian rule fits the people somewhat better than the constitutional process. Perhaps someday that will change, but not at the moment.

The CHAIRMAN. Do the tribes play any part in the government?

ROLE OF TRIBES

Mr. MOOSE. The tribal leaders play a considerable part in the government. The tribesmen have their primary loyalty to their chieftains, to their sheiks, and they accept whatever he does on behalf of the tribe.

Some of the tribal chieftains are quite influential. On the other hand, more influential than the tribal organizations are the Moslem religious brotherhoods in the North. There are several of them, the two most important being the Ansar, led by Saiyid Siddig al Mahdi, and the

Khatmiyya, led by Saiyid Ali al Mirghani. Each of them claims to have about 2 million adherents, and this is out of a total population of 10 million, and a population in the North Sudan of 7 million.

These religious brotherhoods are much more important on the political scene than are the tribes and tribal leaders.

In the Sudan, as in many Moslem countries, they do not make the clear distinction between religion and politics that we do in more western countries. Politics and religion are two aspects of the same problem in the opinion of many Moslems. They are not separated.

Senator HICKENLOOPER. It is fundamental with the Moslems.

Mr. MOOSE. That is a part of Islam.

Senator HICKENLOOPER. It is a pretty fundamental religion.

Mr. MOOSE. Yes, it is.

The CHAIRMAN. Would you say in this situation we would be well advised to try to work with the military government which is now in power?

Mr. MOOSE. I can't imagine a quick return to constitutional government in the Sudan. I think if we work with them at all, it will be necessary to work with a military government.

The CHAIRMAN. Would you describe—I think it is interesting—the details of the way this government is set up, its physical character?

LEADERSHIP BY THE SUPREME COUNCIL

Mr. MOOSE. On November 17, the army took over, and all authority was taken over by a Supreme Council of the armed forces. The Council has been altered a little in its composition, but at present it consists of 10 senior officers. The Council has delegated to its president, Lt. Gen. Ibrahim Abboud, all judicial, legislative and security authority, plus command of the armed forces.

General Abboud has assumed the position of prime minister and has appointed a cabinet of 15 men including him and 14 others.

The 14 others consist of the 9 other members of the Supreme Council, plus 5 civilians. So there is a peculiar organizational arrangement whereby the members of the Supreme Council confer authority on General Abboud, and General Abboud then appoints them to positions lower than his own. They become ministers in his cabinet.

The army officers who have taken over the portfolios in the government are generally energetic; they work hard at their job. Of course they are military men and have to rely heavily on the civil service and the officials of the ministries whom they found there.

Senator CHURCH. Mr. Ambassador, it is my understanding with respects to this 10-officer junta, that the old civil service trained by the British in the past has taken a rather negative view in that they feel that the officers of this junta don't measure up to the standard they would like to see obtain.

I also understand that General Abboud has exercised very little positive leadership to the point that the whole government may be on the verge of deteriorating, one of the junior officers having recently come into Khartoum and having staged with his own troops a military coup by surrounding the public buildings and demanding the removal of one minister he objected to. As a result General Abboud conceded the point and the minister was removed and this man, having staged a private insurrection, took his troops on to some other place, and there is a general feeling of high instability in the country as a result.

Could you give me the benefit of your view as to that observation?

THE EFFECTIVENESS OF GENERAL ABBOUD

Mr. MOOSE. General Abboud, as the president of the Supreme Council, has played the role of the conciliator to various factions in the Council. He has held it together. He is by long odds the senior officer. He is respected and liked, and he has played a very useful role.

It is true that in early March there was a change in the Supreme Council forced by two dissident brigadier generals who had some troops under their command, and they forced out one member of the Supreme Council; another one was removed, I think, without any force, and these two dissident officers came in. Apparently, if we are to believe the preliminary reports, those two dissident officers in the latter part of last month attempted something similar to that, and both of them are in jail now, or perhaps their trial has already begun.

So General Abboud is showing a good deal more decisiveness than he did earlier.

I think it remains to be seen that General Abboud is really indecisive. He didn't take violent action or direct action in early March. It is entirely possible that that was the better course to follow, that he waited until the time was right to make his move, because he has to keep the Supreme Council together if there is going to be any kind of orderly government in the country.

There is always a time for taking action and a time for delaying action, and at the moment I think Abboud's tactics have been very sound. What the future will hold remains to be seen.

Senator CHURCH. Thank you.

Senator SPARKMAN. Mr. Ambassador, let me ask you this question:

LITERACY IN THE SUDAN

You point out that the illiteracy rate is 97 percent, and you give some of the problems that they have had in their early experiments with an independent government.

Do you think this might be one of the states that has been rushed into self-government too fast, and is that something that we must watch out for in that part of the world?

Mr. MOOSE. I don't know whether it was too fast or not, but it certainly was fast, and it was a result of Egyptian demands. The Egyptians demanded that the Sudan be turned over to them. As a kind of dominion government the Egyptians have interest in Sudan. The British were not willing to turn the Sudan over to Egyptians, and after a good deal of negotiation, some of it not altogether cordial, it was agreed that the matter would be referred to a plebiscite in the Sudan.

The Sudanese had the choice of either union with Egypt in some form or independence, and they voted for independence.

Senator SPARKMAN. Is there any kind of movement there to bring them up to a higher level of literacy and of understanding and responsibilities of self-government?

Mr. MOOSE. They are working on it. They are doing their best to develop their school system. In the last few months they have had an educational expert from UNESCO, Dr. Matta Akrawi, an Iraqi, to make a survey of their school system to devise a way of providing more education for more children on the rather limited budget that they have.

They have a real problem in the dispersal of the population and their small limited fund, but they have it very much in their mind and are working on it as best they can.

SUDAN AND EGYPT

Senator **SPARKMAN**. How strong is the feeling in Sudan toward Egypt in its proposed construction of the high dam at Aswan?

Mr. **MOOSE**. They are a little bit disturbed that the Egyptians have not approached them for an agreement on compensation for flood damage.

Senator **SPARKMAN**. Has there been no conversation at all, no negotiation whatever?

Mr. **MOOSE**. There has been no productive conversation. I couldn't say there has been no conversation, but no agreement has been reached, nor, so far as I know, is one in prospect.

Senator **SPARKMAN**. Would the dam flood lands in the Sudan?

Mr. **MOOSE**. Ninety miles of the river valley, and in the extreme Northern Sudan.

Senator **SPARKMAN**. Is it a question not of taking water away from Sudan, but of flooding the lands in Sudan?

Mr. **MOOSE**. There is another aspect to it. The Sudanese have irrigation projects which require water. So do the Egyptians have projects which require water, and they have not yet reached an agreement on the division of water. But one problem is the division of waters and the other is damage in the Sudan caused by a dam built in Egypt.

In one case the Sudanese would probably like more water, and in the other case they are getting too much.

Senator **SPARKMAN**. Is there any communism brooding in the Sudan?

Mr. **MOOSE**. There is a little bit of Communist activity. The present government has taken much more effective measures against it than did the preceding constitutional government. My own belief is that communism in the Sudan is at present a nuisance, not a danger.

Senator **SPARKMAN**. What do you feel about the Near East situation now in general? It revolves more or less around Iraq, doesn't it, the situation in Iraq?

A STORMY MIDDLE EAST

Mr. **MOOSE**. It is the center of the hurricane at the moment.

Senator **SPARKMAN**. Have things quieted down as a whole, with the exception of Iraq? Is the United Arab Republic, for instance, on pretty much an even keel now, or is it still weathering pretty stormy times?

Mr. **MOOSE**. I am hardly qualified to answer the question; I am sorry. From the Sudan, we are not in the center of the hurricane.

Senator **SPARKMAN**. Of course the chairman gave you quite a sendoff as a Middle East expert; that is the only reason I bring it out. I realize it is getting away from your country.

That is all, Mr. Chairman. Thank you.

Senator **GORE**. May I ask a question off the record?

[Discussion off the record.]

The **Chairman.** Mr. Moose, it is true your responsibility is the Sudan; but how many years have you been operating in the Middle East, including Syria, as an inspector?

Mr. **Moose.** I have been working on and in the Near East practically ever since I have been in the Foreign Service—since 1928.

The **Chairman.** What you meant when you said you were not qualified is that you are not current with the most recent developments in Iraq; is that what you mean?

Mr. **Moose.** That is true.

The **Chairman.** I wouldn't want to hold you responsible for a judgment based on that kind of knowledge, but I wonder if you could venture some opinion. We are not trying to prove or disprove anything, but want purely your opinion for whatever it is worth.

THE EGYPTIAN INFLUENCE

For example, with regard to Nasser and our relations to Nasser, you certainly have some impression about it. Do you think we are wise to now try to conciliate him, to work out a reasonable agreement of assistance to him in, say, the Aswan Dam or any other project?

What is your feeling about how we should proceed?

Mr. **Moose.** President Nasser, of course, is a composite individual. He represents the ruling element in the Egyptian Government, and I find that he does not always appear precisely the same in Egypt as he does in the countries around Egypt.

I have served in Syria while President Nasser has been in charge in Egypt, and then later on in the Sudan.

He has had in both Syria and the Sudan, I think, a less conciliatory and less beneficial aspect than he has seen from Cairo, or perhaps even from Washington.

On the other hand, I find that my colleague in Cairo thinks that our relations with the Egyptians and with President Nasser are improving greatly, and he believes that we can improve our relationship to the benefit of all concerned.

In the Sudan, the principal difficulty that involves Egypt, and of course President Nasser, is the division of the Nile waters.

The Sudanese have recently proposed new negotiations on this subject, and I believe the Egyptians are going to take up the negotiations to see what can be done with it. If they succeed, we should have a considerable improvement in the relations between the Sudan and Egypt; perhaps something similar will occur in the relations of Egypt and the other countries.

The **Chairman.** President Black insisted as a condition precedent to his bank giving a loan that the Egyptians make an agreement with the Sudanese. That was one of the conditions of that arrangement which was canceled, not by Mr. Black.

Mr. **Moose.** Yes, sir.

The **Chairman.** I understand that there are negotiations going on in Cairo now looking toward a second stage by which Germans and Japanese and others are participating. I assume we might be considering it.

Do you know anything about that?

Mr. **Moose.** I don't know.

The **Chairman**. Would it be proper to ask you if such negotiations are going on we ought to have a part in the reasonable terms? Do you think it would be useful to us, to the West?

Mr. **Moose**. I would think so.

IRAQI REACTION TO U.S.-EGYPTIAN TIES

The **Chairman**. Do you have any views about the relations between Egypt and Iraq? Would it be dangerous to the future relations with Iraq if we do make any overt effort to reestablish more friendly relations with Nasser?

Mr. **Moose**. I can't imagine the Iraqis being offended, because we had good relations with Nasser as long as what we do does not run counter to the Iraqi aims. Since long before Iraq or Egypt counted themselves as Arab countries, there has been a certain rivalry between whatever state was established in the Valley of the Nile and whatever state was established in the Valley of the Euphrates and Tigris, and I imagine such assistance as we might give with the dam in Egypt would not offend the Iraqis. They might be pleased with it.

The **Chairman**. The reason I asked you that is I had a letter from someone the other day who said he thought we could use Nasser to offset Kassem and reestablish Western influence in Iraq, we would be sadly mistaken and it would be a great mistake to try it. That was what inspired such a question.

I understand you to mean that there has been for centuries a traditional rivalry between these two areas, but despite the fact there has been that rivalry we could still be friends with both of them if we conduct ourselves properly. Do you think that is correct?

Mr. **Moose**. I think that is true. Of course, if we were in the position of assisting the Egyptians whom the Iraqis thought were harmful——

The **Chairman**. Yes; we can't do that, because that is not necessary to our policy.

What is the relationship now between Egypt and Saudi Arabia, and what do you see in that connection?

EGYPTIAN-SAUDI RELATIONS

Mr. **Moose**. It is quite good, I believe.

The **Chairman**. Is it?

Mr. **Moose**. The Egyptians and Saudis seem to be on very good terms.

The **Chairman**. Relations between Sudan and Saudi Arabia are good?

Mr. **Moose**. Excellent.

The **Chairman**. Do they have much communication of any kind?

Mr. **Moose**. Not a great deal. There are a certain number of Sudanese residents in Saudi Arabia. They go there to make the pilgrimage, and some of them settle down and stay. There are a great number of people going to Saudi Arabia who pass through the Sudan, West Africans largely, some of whom settle down and stay in the Sudan. Their relations are cordial and good, but there is scarcely any trade between the two countries; there is no Saudi investment in the Sudan, and no Sudanese investment in Saudi Arabia.

The CHAIRMAN. What is the per capita income of the Sudan? Would you know that?

Mr. MOOSE. It is very low. I don't know the figure. Many of the tribal Sudanese have an income of about 1 pound, which they use to pay taxes, and that is about all. Of course, that does not apply to the sedentary population.

The CHAIRMAN. Yes.

If you had your way and could do as you pleased, what would you put first in priority as to what this country and the West could do to be of assistance to such countries as the Sudan? Would it be in the field of industrial development, or education, or just grants of food, or what? What do you put first? How would you evaluate it?

Mr. MOOSE. I think——

The CHAIRMAN. Or military assistance.

Mr. MOOSE. Not military assistance.

The CHAIRMAN. Not military assistance.

Mr. MOOSE. They need some help with their education. Any help to the government, of course, increases their total resource and enables them to devote a little bit more to education. But I think the first step is to help them out with their agricultural development.

Mineral resources have not been determined in the Sudan; no mineral deposits of any value are established. There are showings here and there, but just what the importance of them is nobody knows.

There is no source of cheap power, no fuel there in the Sudan except the wood that people cut and burn for very small purposes.

DEVELOPMENT PROJECTS IN THE SUDAN

The principal resources appear to be agriculture. They have various areas of land that could be put into production, and a climate where they could harvest a number of crops a year.

They have the resources which would permit that. They can, of course, as their population increases, establish some light industries, but there is no base now known for any establishment of heavy industry. There is no iron ore that anyone knows anything about. There is no coal, and so on.

So I think that the first test would be to help them out with their basically agricultural development and, perhaps, some assistance to education that could be given at the same time. Later on, perhaps, some help with industry.

The CHAIRMAN. What kind of a program is now being considered for the Sudan?

Mr. MOOSE. We have an aid program in the Sudan for the year which will end on June 30. It consists of about $15 million of nonproject aid, about $4.5 million of special project assistance, and $1.1 million, I believe, of technical assistance.

The rather large proportion of nonproject aid was made necessary by the economic and financial difficulties they had encountered in the marketing of their cotton.

They had a marketing policy which caused them a lot of difficulty, and then they had 1 year which was virtually a crop failure, so they were in considerable difficulty.

I had hoped that this large nonproject content could be reduced in future years.

The **Chairman.** Did that consist of materials, agricultural commodities we sent in shipment?

Mr. **Moose.** There was some sugar in it; that was about the only agricultural item.

The **Chairman.** Sugar?

Mr. **Moose.** There were a lot of miscellaneous things like iron and steel; we supplied them with some buses for the city of Khartoum, various other things which they needed, but there is under consideration a Public Law 480 to the Sudan also consisting mostly of flour. That is contemplated to constitute about $3½ million in the present year.

OTHER DEVELOPMENTS IN AFRICA

The **Chairman.** Do you have any news about the rest of Africa as it is now developing, and how we should orient our policy? For example, it is not in your immediate area, but you have a feeling about Africa? There is development around Guinea and Ghana, and soon Nigeria will become independent, and so on, as will all parts of Africa.

Have you any advice or opinions about the policies in this area? If you do not, it is all right, but I wondered if you had talked to your colleagues and other people who were aware of what is going on in Africa.

Mr. **Moose.** In some of those areas they do seem to have mineral resources that enable them to follow a different line of a development from what we are faced with in the Sudan.

I think the conditions in West Africa are somewhat different from what they face in the Sudan; more rainfall—they are not so dependent on irrigation as we are in the Sudan, and I believe that their labor supply in proportion to the population is also larger.

A large tribal population provides fewer hands for work than does a sedentary population. The tribesmen spend their lives following their animals, their sheep or cattle or camels or whatever it is they raise, and they do not provide the labor that you find——

The **Chairman.** What percentage of tribesmen are there in the Sudan, a large percentage?

Mr. **Moose.** There must be 75 percent at the least.

The **Chairman.** 75 percent? What do they raise principally, sheep, cattle or what?

Mr. **Moose.** In the southern part of the Sudan, cattle. Further north they raise camels, goats and sheep.

The **Chairman.** They are considered of importance to the economy?

Mr. **Moose.** They are important, and the Sudan has a world of beef which could be sold outside if they could find a market, and if there was some way of transporting it out. The distances are so great that if the cattle are driven on the hoof they lose a lot of cattle and a lot of weight, and the beef is not of as good quality when they get out; the transportation in the country is difficult, and the distances long.

There was a plan which fell through, in which an American firm intended to buy cattle in the western Sudan and fly the cattle into Cairo. They ran into difficulty, and the plan was abandoned.

They ran into several difficulties with the plan, and finally abandoned it, but there seems to be a good possibility of marketing meat not only in Egypt but all over the Near East, once they can solve the problem of transportation.

TRANSPORTATION PROBLEMS

The CHAIRMAN. Would that indicate that roads or better air freight or something else is indicated? Why wouldn't transportation be one of your high priority items if that is the case?

Mr. MOOSE. The Sudanese Government is working on that. They just completed a month or two ago a rail line into Nyala, which is in the Western Sudan, and in 1961 will also complete a rail line down to Wau in the Southwestern Sudan.

This new rail line is not in regular operation now, but the rails are down. They still have to get some rolling stock and get themselves under way, but the situation may be considerably improved as a result of this railway construction which was largely financed by the International Bank.

The International Bank loaned them $39 million for railway construction, so that may be in the process of improvement now.

The CHAIRMAN. Have you any other suggestions as to what this committee and the Congress might do? If you do, I hope you will feel free to make suggestions. We will not take them as criticism but merely as guidance.

Mr. MOOSE. I think the Sudan is of some symbolic importance to Africa in addition to its intrinsic importance. It is one of the newly independent countries, one that has many problems. It is looking to us for help with some of these problems.

They do not suspect us in any way. They see no ulterior motives for our actions; they need help and would like to get it from us.

They also look to the United Kingdom and in some respects to the United Nations.

If our policy is to assist and to encourage the newly independent nations of the world, I think the Sudan is one that we should endeavor to help, to enable them to maintain their independence and improve their administration and their form of government.

NEIGHBORING COUNTRIES

The Sudan adjoins a considerable number of different countries in Africa: Egypt to the north, Libya to the northwest, Chad to the west; French Equatorial Africa to the southwest; the Belgian Congo and Kenya to the south and southeast, and Ethiopia to the east. Saudi Arabia is almost a neighbor; it is across the Red Sea about 125 miles wide at Port Sudan, and if there are any governmental favors—either administrative or economic—in the Sudan, the repercussions are likely to go right across the frontiers and have an adverse effect in adjacent areas.

The frontiers of the Sudan are lines drawn on the map, usually by people who are a long way from the scene, and in almost every case you find a tribe that lives on both sides of the frontier. In some places you find tribes that are in three adjacent territories, such as the Zendi tribe in Southwest Sudan, which is divided between French Equatorial Africa, Sudan, and the Belgian Congo.

It is wide open to influences from outside; also, the developments in the Sudan are likely to have repercussions in neighboring territories.

But I think it will be beneficial not only in the Sudan but in the other newly independent countries of Africa and those about to receive their independence if the Sudan makes a success of this venture in independence.

The CHAIRMAN. Do you think these people's native intelligence and capacity are such that they could be exposed to education?

Mr. MOOSE. I think so. They vary from individual to individual, and also somewhat from place to place. But I think the Sudanese are sufficiently intelligent to manage their own affairs. The patterns of life and their habits and customs are so thoroughly ground in that it is awfully difficult for them to change. But change is coming, and we, of course, would like to see the change of the right sort. It might take a turn we would not approve of, but there is not any prospect of that now. They have some very real problems with which we can help them.

I think they look to us for help with every problem they have in some degree.

The CHAIRMAN. Do you think the help could take the form of loans? Is there any prospect that if we made loans, for example, in the Development Loan Fund, Sudan might repay it in the foreseeable future?

DLF IN SUDAN

Mr. MOOSE. We are doing that. The Development Loan Fund signed an agreement with a Mr. Theodorocopoulos, an American citizen, for the construction of a spinning and weaving mill in Khartoum. The loan was for $10 million. The entire investment will be about $20 million.

It will be a 60,000-spindle mill, and will supply more than half of the cotton textile requirements of the Sudan, using Sudanese cotton.

Hitherto they have had only one tiny spinning mill down in the southwest Sudan, and they have bought practically all of their requirements abroad, mostly in India, so this is going to improve their market for cotton. This is American type cotton, short staple cotton.

They will improve their market for cotton, and they will also reduce their dependence on imports from abroad.

There is also a plan which has not yet reached the final stage for the construction of I believe three sugar refineries, a sugar industry, which will supply a considerable portion of their requirements for sugar.

Hitherto all of that was imported from abroad.

The CHAIRMAN. Do they grow cane sugar or beet?

Mr. MOOSE. Cane.

A REGIONAL VS. NATIONAL APPROACH TO FOREIGN AID

The CHAIRMAN. You know this area and you know Africa. Do you think there is any validity to the idea of approaching this aid program on a regional basis rather than a purely national basis? The question was inspired by your talking about a rather large cotton mill. Is this the proper place for it, in other words? Should we, as a country extending aid, look at this whole area and say, "Well now, we would regard a mill of this kind appropriate in one area or country, and some other mill in another one"?

Looking at it regionally, rather than nationally, is there anything to that idea?

Mr. MOOSE. My own experience has been that a regional approach is very difficult because the people whom you deal with represent nations. We look at it as a region, but the man with whom we are dealing usually takes a national viewpoint, and my experience has been that it is quite difficult to carry out a regional operation.

Senator GORE. May I ask a question?

The CHAIRMAN. Certainly.

Senator GORE. Would your answer be the same with respect to military assistance, some effort to build a regional integrated military force, for instance, in a group of Arabic nations, an integrated force to which each nation would contribute, but available to protect the sovereignty of every nation within the group? Would your answer be the same in that regard as with respect to economic assistance?

Mr. MOOSE. With what I know of the countries of the Near East, it is awfully hard for me to imagine them having the multinational or supernational army.

Senator GORE. What about the Arab Legion?

Mr. MOOSE. The Arab Legion belongs to Jordan. It is a national army.

Senator GORE. I thought it was contributed to by other Arabic countries, too.

Mr. MOOSE. I believe the Arab Legion is a Jordanian force.

The CHAIRMAN. The British supplied money for it, but it was an entirely national force.

Mr. MOOSE. Yes.

The CHAIRMAN. Do you know of no instance where there has been a multinational force in this area?

Mr. MOOSE. No. I do not know of one, and the newly independent nations are usually more jealous of their sovereignty and their independence than are the nations that have had it longer.

The CHAIRMAN. In other words, you would say in Western Europe there is a greater prospect of some form of unification or regional treatment than there is in——

Mr. MOOSE. So it would seem to me.

The CHAIRMAN. Yes.

Mr. MOOSE. The situation may change in a generation or two.

The CHAIRMAN. But at the moment you see no possibility of this?

Mr. MOOSE. I would be amazed if we would get the Near East nations to agree to such a plan.

ARAB ATTITUDES TOWARD THE UNITED STATES

Senator GORE. Mr. Ambassador, from your experience how would you compare the attitude of the Arabic world, if that is the correct term, the attitude of the people of this general area toward the United States 4 years ago, 2 years ago, now, or think of any other measure that you could tie to what I am trying to find out, which is the attitude toward the United States? Is it improving or is it deteriorating?

Mr. MOOSE. The attitude in Egypt in the last 4 years, I believe, has deteriorated and then improved.

Jordan has been quite friendly all the way through.

In Iraq, of course, it has gone only from good to bad.

In Saudi Arabia I would say it has remained about the same.

Of course, 4 years ago the Sudan was not independent. It was governed by the British, but the Sudan has always been quite cordial. They feel cordial toward the United States, both individually and officially. Our standing is very good there.

Lebanon, I think, is basically very friendly to us. They have had their own internal trouble. Of course, we had troops in Beirut for a while, but they always have been very favorable.

I believe that covers the case except Saudi Arabia where it probably has not changed very much, and Israel, which I think is always on very good terms with us.

The CHAIRMAN. Are most of the Sudanese of Negroid extraction?

RACE CONSCIOUSNESS IN SUDAN

Mr. MOOSE. The southern one-third is wholly Negroid. In the northern two-thirds there is a very mixed population. Some of them are as white as any European, and they go through all shades to the wholly Negroid type.

The CHAIRMAN. Are they very race-conscious?

Mr. MOOSE. Yes. They are conscious.

The CHAIRMAN. Is there much disturbance in their minds about the race problem in this country?

Mr. MOOSE. Not one has ever spontaneously mentioned it to me.

The CHAIRMAN. Never mentioned it?

Mr. MOOSE. Never.

The CHAIRMAN. I had a letter—I do not care whether you would comment on it, and maybe it is entirely beyond your competence to, but it was a curious letter that came to me a day or two ago from a Negro, sent to me second-hand, saying that our appointment of a Negro to represent us as Ambassador to Guinea was a great mistake; that the Africans feel that our Negroes are descendants of slaves and that we, picking one out to send to them, showed a lack of respect for them as to their importance; and that we would do much better and we will be much better off if we would send them our best representatives.[1] And this is a point of view that surprised me.

When I was first asked whether it was all right, in my opinion, to send this man, a professor, a highly educated Negro, I said, "Why, sure."

It never occurred to me that this was even a problem.

Do you have any feeling about such a thing?

Mr. MOOSE. I believe that could be duplicated elsewhere—in Ethiopia, for example.

The CHAIRMAN. What could be duplicated, this view?

Mr. MOOSE. This feeling that it would be better to send a white man as an envoy rather than a Negro.

The CHAIRMAN. In Ethiopia?

Mr. MOOSE. In Ethiopia, I believe, the feeling would be the same.

The CHAIRMAN. And is there validity to this view about sending a Negro to Guinea, so far as you know?

Mr. MOOSE. I really do not know about Guinea.

The CHAIRMAN. Not directly, but reasoning from what you do know.

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[1] On May 28, 1959, President Eisenhower appointed John Howard Morrow as the first U.S. Ambassador to the Republic of Guinea. Professor Morrow was the chairman of the Department of Modern Languages at North Carolina College.

Mr. Moose. The attitude does not surprise me at all.

The Chairman. It did surprise me. It never occurred to me that it was the reaction.

Senator Hickenlooper. It has been a reaction in several places for years.

The Chairman. I did not know that. No one had ever said that to me before.

Senator Hickenlooper. Some of the Liberians said not to send a Negro Ambassador.

The Chairman. This came as complete news to me.

Senator Hickenlooper. They think we are downgrading them.

The Chairman. I assumed that by designating one of that race as Ambassador, it was a compliment to the race, which is one way you can regard it. But apparently the other view is a strong one.

Well, I wondered whether the State Department was aware of this view. If they are, why do they do it? They are the ones who are the moving parties

Senator Gore. Maybe instead of downgrading, they feel we are patronizing.

The Chairman. About the same, if that is true; why doesn't the State Department take account of it and send the Negro Ambassador to Norway where they are not race-conscious?

Mr. Moose. They never had a Negro envoy to Ethiopia.

The Chairman. They never had?

Mr. Moose. Always a white man. Isn't that also true in Haiti?

The Chairman. Have we sent a Negro to Haiti? This escaped me.

Senator Hickenlooper. When we sent a Negro down to the Virgin Islands there was some resentment.

The Chairman. I do not believe in courting resentment.

Senator Hickenlooper. I do not say it is universal. but there is resentment.

The Chairman. You do not think it would be wise to send a Negro as our Ambassador to the Sudan on general principles?

Mr. Moose. My belief is that they would prefer a white man on the theory that, if they get a Negro as an ambassador, he would not be the best.

The Chairman. That is right. I thought that was rather interesting. Have you any inquiries, Senator Hickenlooper?

Senator Hickenlooper. I have some questions.

SUDANESE ATTITUDES TOWARD BRITAIN AND EGYPT

What about the comparative feeling in the Sudan toward the Egyptians and the British? Do they seem to think more of the British or the Egyptians, or is there any ascertainable distinction there?

Mr. Moose. They are very well disposed toward the British. The British bowed out of the Sudan very gracefully, turned authority over to the Sudanese without any ill feeling, friction or rancor, and the British still have a number of officials there in technical capacities. They still transact a lot of business in the Sudan. Great Britain is the Sudan's best customer and also the principal source of supply from abroad. The British stand well.

The Egyptians individually stand very well, but there is a kinship between the Egyptians and the Sudanese, recognized on both sides.

The metropolis is Cairo, where many Sudanese go to find employment. Sometimes they enter the Egyptian Army or find other kinds of employment, and come back to their homes in the Sudan after spending a lifetime in Egypt.

The Sudanese draw many pensions of one sort or another. Nevertheless, they have had some difficulties with the Egyptians in the last year or two, which has made the official attitude a little less cordial than we might have desired.

There has been the continuing difference over the waters of the Nile and commercial policy. Some of the Sudanese exports which normally go to Egypt have not been marketed in Egypt in the last 12 months.

The Egyptians are tempted to extend their plebiscite for the constitution of the UAR into the Halaib area, which has always been administered in the Sudan, which has occurred, I believe, in February of 1958.

The Sudanese were taken a little aback by that.

I would not say their relations are bad, but they are not as cordial as they have been or might be.

Individually the Egyptians get along with the Sudan very nicely. There are quite a number of Egyptians there, Egyptian schools. The Egyptian Irrigation Department operates in the Sudan.

There are various humanitarian and philanthropic enterprises in the Sudan which are financed from Egypt, so there is a close connection there and has been for many years.

Senator HICKENLOOPER. I think that is all.

The CHAIRMAN. Well, thank you very much, Mr. Ambassador. I appreciate your taking the time to come here and instruct us. We need instruction about this area; I certainly do.

It is a great puzzle as to whether we are following intelligent policies in this area or not. I do not know whether we are, but we just do the best we can. All of us are limited in our knowledge and understanding of what should be done.

Mr. MOOSE. The situation changes every time the moon changes, frankly.

[Whereupon, at 5:35 p.m., the committee adjourned.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)[1]

THURSDAY, JUNE 11, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:10 in the committee room, F–53, to continue its markup of the Mutual Security Act for 1959 (S. 1451).

Present: Chairman Fulbright (presiding), Senators Green, Humphrey, Mansfield, Gore, Lausche, Church, Hickenlooper, Aiken, Capehart, and Carlson.

[After deliberations, the committee recessed at 12:35 p.m. until 2:30 p.m.]

Afternoon Session

The committee reconvened in executive session at 2:40 p.m. in F–53.

Present: Chairman Fulbright (presiding), Senators Mansfield, Humphrey, Morse, Church, Hickenlooper, Aiken, Capehart, and Carlson.

Mr. MARCY. Next amendment on the same page by Senator Humphrey.

Senator HUMPHREY. I will be happy to explain it to you, Mr. Chairman and my colleagues.

The CHAIRMAN. All right.

Senator HUMPHREY. The Department has indicated its opposition to this amendment; they say that the intent of the amendment is apparently to reduce the use of funds for military assistance by the indirect method of a double shift of funds among eight categories.

The purpose of the amendment is as follows: It takes into consideration the special requirements of South Korea, Taiwan, Vietnam, and Turkey, which have within themselves very hard-pressed economies because of heavy military commitments.

Therefore, the Defense support funds for those countries and the military assistance funds are left untouched by this amendment. But where there are other areas in which there are so-called defense support funds to back up military assistance, the defense support programs ascribed in the illustrative documents would be paid for out of military assistance funds.

In other words, you would cut back on the military assistance in those areas where you need defense support by taking from the military assistance fund sufficient moneys to meet the defense support requirements.

The whole purpose here is to——

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[1] See Appendix B.

DEFENSE SUPPORTS FOR IRAN

The **Chairman**. Give me an illustration; it is a little vague for me. Can you take a special case so I can understand it?

Senator **Humphrey**. Pat, what is one of the countries? Iran?

The **Chairman**. Describe it.

Senator **Humphrey**. Here would be the situation in Iran. I don't know what the defense support funds would be there. But whatever they are, those defense support funds would be eliminated, and the amount of the defense support that is programed in the illustrative charts would be filled by removing from the military assistance that amount of money that is needed.

Now what is the funds for Iran?

Mr. **Holt**. Specifically in the case of Iran the proposed program is $76.2 million in military assistance, $22 million in defense support, $6 million in technical assistance which is not involved in this.

Senator **Humphrey**. That is not involved.

The **Chairman**. What would happen under this amendment?

Senator **Humphrey**. Let's take the figure of $76 million military assistance, $22 million defense support. You immediately would reduce your military assistance to $54 million and your defense support funds would become $22 million, but taken from the $76 million.

Senator **Aiken**. Mr. Chairman, may I point out something here? I am in favor of reducing military assistance as fast as we can and converting it to economic assistance. But there is a situation in Geneva now which will probably wind up one way or the other within the next 24 hours. Now conceivably what we do here might have some effect on it, though I don't know that it would.

Conceivably what they do there would be more likely to have some effect on what we do here. I wonder whether, if we are not going to finish this today, we had better leave this until we see what does happen over there.

Senator **Humphrey**. Could I just make one other suggestion, George?

Senator **Aiken**. We don't know, but we do anticipate within the next 24 hours at least something will happen.

Senator **Humphrey**. It will not require the reduction——

Senator **Aiken**. It will break up one way or another.

The **Chairman**. What is that?

Senator **Humphrey**. It would not necessarily require a reduction, and let me explain what I mean.

Senator **Aiken**. No.

Senator **Humphrey**. You have $76 million of programed funds for military assistance in Iran, $22 million of defense support. Now if you are going to have defense support in Iran, you will take that $22 million from the $76 million.

However, if you are not going to have any defense support we can get by without it; you can have the $76 million in the military assistance.

COUNTRY-BY-COUNTRY REVIEW

The **Chairman**. What is the virtue of your proposal over a proposal simply to cut the military assistance, which I am sure there is going to be some opportunity to do? Why do you go about it in this way? It looks a little unnecessarily complex. What is the reason for it?

Senator HUMPHREY. The whole purpose of it is to require a country-by-country and region-by-region review as to whether or not the funds allocated for defense support are really necessary. In other words, in the areas that are outside the four that we mentioned—Korea, Taiwan, Vietnam and Turkey—where there are heavy military establishments related to our alliances, and with which we are involved or to which we are committed under treaty, when you seek to reduce military assistance or defense support you make a careful examination. This is particularly true on the defense support, and if you can get by without it you do so.

If you still think that you need it, you will take it from military assistance. It is just the difference between a meat ax approach of just cutting military assistance per se and being able to do it country by country.

Senator CHURCH. Hubert, isn't the effect of your amendment in the areas that it applies merely that of eliminating what the administration has programed for defense support?

Senator HUMPHREY. No.

Senator CHURCH. It eliminates what the administration has programed for defense support and says to them that if they want that defense support or any part of it they have to take it out of the military assistance funds that they have programed for that area.

Senator HUMPHREY. Yes.

Senator CHURCH. So in effect you are eliminating what they have programed for defense support, apart from what they have programed for military assistance.

Senator HUMPHREY. That is correct. It is a roundabout way, I agree, of getting at the military assistance program in some of these areas.

IRAN AND THE SOVIET UNION

Senator HICKENLOOPER. Well, you have a very serious situation, taking the case of Iran. They have one of the longest if not the longest common border with Russia of any country in the world.

Senator HUMPHREY. Yes.

Senator HICKENLOOPER. They feel that their military establishment is still woefully weak.

Senator HUMPHREY. What is the population of Iran, Senator?

Senator HICKENLOOPER. I don't recall the population.

Senator HUMPHREY. Does anybody really think that Iran can stand up against the Soviet Union if they want to send a full brigade across?

Senator HICKENLOOPER. There is no question about Iran being able to stand up against the Soviet Union for more than a few days, but they probably could stand up for a few days if it is a question of an all-out attack. Of course, Russia could overrun them. Does anybody think that without the atomic bomb Russia could not march through to the Atlantic Ocean in 3 weeks' time?

Senator HUMPHREY. The truth is that if Russia crosses any of these borders, there is war.

Senator HICKENLOOPER. Well, not necessarily in Iran. There probably would be. But they have some definite problems there. In the first place, Iran is very friendly to the United States. For instance, it is one of the countries that I think we should try to carry along with to a reasonable degree.

We do a lot of helping countries that kick us in the teeth all the time, and then we have a tendency to take it out on the countries that have been our friends.

The CHAIRMAN. I think, Hubert, it isn't nearly as simple as just saying Russia won't move. Now there is Iraq, which is right on the border. The Russians are probably too smart to move for the reason you have mentioned, but it isn't at all improbable that the Iraqi, under the influence of Russia and others, might decide that Iran is not being very friendly and need to have a new regime over there and that they might move.

The Shah was scared to death, properly so, after the revolution in Iraq. Of course, I don't know what would happen. I don't particularly favor the Shah's government. He personally is a good man, I think, and he means well. I wish he could move. In other words, I am not sold that he can find a government. I think it is temporary.

On the other hand, we would hope that at some time a transition could be brought about and to keep it from going Communist and coming underneath the domination of either Iraq or Russia. It is a complex and very dangerous situation, the most dangerous of all right now, I think.

Senator HUMPHREY. That is why if you are going to make real cuts in military assistance in some of these areas that are on the periphery of the Soviet empire that it seems to me that they ought to be examined country by country.

WHAT DOES IRAN DO WITH AMERICAN AID

That is what this amendment attempts to do. Now it may not get at it. Now let's take Iran, for example.

I am just reminded by the staff that there is a $22 million defense support plan, a defense support item for the $76 million of military assistance. Now what does that $22 million consist of?

It consists of a check, cash. It doesn't consist of any commodities. Who gets it? I suppose the Finance Minister of Iran. What does he do with it?

After all, there are taxpayers in this country. What does he do with this $22 million? Does it mean that he gets fertilizer? Does it mean that he gets some kind of food to back up the troops? We have no way of knowing, do we, Pat?

What is the explanation of the $22 million for Iran, for example?

Mr. HOLT. It is as you said, all in cash. There is an explanation of what will be done with the rials which will be received for the dollars in the Bank of Iran. There is no explanation of what will happen to the dollars after they are in the Bank of Iran.

Senator HUMPHREY. This amendment may not be the proper approach and I want to be very frank about it. I had some doubts about it but I believe this is one that some of us worked out at the staff level in a review of this bill; isn't that right?

Mr. MARCY. That is correct.

Senator HUMPHREY. I had some doubts, to be honest with you, as to whether this was the proper approach but I thought we'd get it out here to see if there was some way that you might reexamine some of these countries that may not be quite so basically involved with our commitments as the four that were excluded.

The CHAIRMAN. Mr. Holt, what is the difference, if any, between the way this defense support is handled and that for Pakistan or Turkey? Is this a unique situation?

Mr. HOLT. It is not unique, but it is close to it. I don't know of any other country where it is totally in cash. In Laos it is in cash to a considerable degree.

Senator MANSFIELD. Cash in Laos? I have an amendment that might cover what you are trying to seek. Go ahead.

Mr. HOLT. To take Pakistan as an example, there the defense support program is $95 million, all of which will be used to finance commodity imports.

The CHAIRMAN. What kind of commodities?

Mr. HOLT. A million dollars' worth of surplus agricultural commodities, $41 million worth of raw materials and fuels, $39 million in machinery and equipment, $14 million in other industrial commodities.

The CHAIRMAN. What is the explanation that Iran is cash?

Mr. HOLT. The explanation is that they need the money in such a hurry that there is insufficient time to generate the whole currency through commodity imports such as is done in Pakistan.

Senator MANSFIELD. And does the same thing happen in Laos as happens now in Iran?

Mr. HOLT. To a more limited degree.

The CHAIRMAN. That is rather curious.

Senator GORE. I don't understand why that is not economic aid.

The CHAIRMAN. What?

Senator GORE. I don't understand how they can call it defense support when it is a cash handout. It seems to me that that is economic aid.

Senator CARLSON. The Executive says here in this statement, "Defense support is economic aid provided for a military purpose."

That is their analysis of it.

The CHAIRMAN. That's right, but if it has been in commodities in the other cases, I don't know why it should be cash here.

Is there some need that Iran has that we don't supply, that they usually buy somewhere else?

Mr. HOLT. This is basically budgetary support for the Iran Government to meet what is referred to here as the minimum expected increase in Iranian military costs related to the buildup of military forces.

A portion of the rials proceeds from this will be used to finance military construction that will meet the Iranian Governments payroll that will just go into their budget generally.

Three million dollars of it will supplement Iranian financing of the local costs of technical assistance.

NOT THE RIGHT APPROACH

Senator CHURCH. Mr. Chairman, I couldn't agree more with Senator Humphrey as to the objective of reducing military support and economic assistance to support military organizations in areas of the world where the Communist threat is not taking that form and where the military forces are of such very dubious value to us or to anyone else.

However, I don't think that this is the right approach to take. I think we ought to directly face up to a reduction in those areas of the world where this case can be made and if possible, a reduction in the authorized amount of public money to be spent for military support or for economic aid, defense support.

I do think that it may be advisable to permit the President, if we reduce the total amount within these areas, to use one fund for the other purpose.

It is hard for us to ascertain the exact amount of economic support that may indeed be necessary to maintain X amount of dollars for defense support.

Senator HUMPHREY. That was the reason for this complicated procedure of my amendment—to get that kind of individualized review.

Senator CHURCH. Yes; but I think that rather than to take this approach, which would merely say in effect that the military assistance program for these areas is approved now, take out such part as you may need for economic.

Senator HUMPHREY. No, I'm sorry; I guess I may have misled you in response to a question, Senator Church. Here is what the language says:

> To the extent that countries other than Korea, Taiwan, Vietnam and Turkey require assistance in the nature of defense support called for by the military assistance program in the country such assistance—

that is the defense support assistance—

> in the nature of defense support shall be paid out of the military assistance funds.

In other words, the emphasis is in most instances upon keeping the defense support funds, but that you should take that.

Senator CHURCH. But it still has this effect.

Senator HUMPHREY. Out of the military assistance funds.

Senator CHURCH. The effect of the amendment is for us to say, "Here is X amount of dollars for military assistance. Now if economic support is needed, it must be taken out of the dollars given for military assistance."

Senator HUMPHREY. That is correct.

Senator CHURCH. Maybe that is the right approach to take on it, but it seems to me that we ought to respect the present categories in the law, military assistance and defense support. If we are going to undertake a reduction of both, let's reduce both and give the President authority to transfer.

Senator HUMPHREY. I think there may be something to that.

As I said, Mr. Chairman, I don't think I want to press this amendment any further.

The CHAIRMAN. Why don't you let it go and see what happens on these other amendments. If you still think it is necessary after you see it, you might revive or reconsider it.

[Discussion off the record.]

SOVIET AIMS IN MIDDLE EAST

Senator HICKENLOOPER. There is one further thing, Hubert, about the way this amendment is worded. The minute that you name Korea, Taiwan, Vietnam, and Turkey, it is going to be a solar plexus blow to a number of the other countries. It is hard to get at, but Pakistan is going to say, "That is a blow at us. You don't touch Korea, Taiwan, Vietnam and Turkey," and Iran is going to say, "That is a blow at us".

The CHAIRMAN. Iran thinks she is more vulnerable than any. The truth of the matter is that when you consider Taiwan, it is largely sentimental with Taiwan. The real matter of value of the tremendous power is in the Middle East that Russia would like.

Senator HUMPHREY. That's right.

The CHAIRMAN. When you compare from Russia's point of view whether she would rather have Taiwan or the oil of Saudi Arabia and Iraq, there is no comparison.

Senator HUMPHREY. Yes.

The CHAIRMAN. The real hot spot at the moment is Iran and Turkey, all that area right in there.

Senator HUMPHREY. Bourke, I think you have a very valid point on that too. When we mention specific countries we do get into some difficulty.

The CHAIRMAN. You always get in trouble. Let's pass that for a moment.

Go on, Mr. Marcy. Let's see if you can find something less difficult.

AIMLESS AID PATTERN

Senator MANSFIELD. Could I bring up the amendment on page 65, which is somewhat comparable to the Humphrey amendment?

You see how it reads:

> The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act, detailed plans for each country receiving bilateral grant assistance in the categories of defense support or special assistance whereby such grants assistance shall be progressively reduced and eliminated within 3 years.

In explaining this amendment in contrast with the Marshall plan, present grant economic aid has no specific goals or specific yardsticks against which to measure progress and no set period of time for termination.

The absence of these specifics encourages a tendency to repeat from 1 year to the next the same aimless aid pattern in each country which at best merely helps to hold the status quo.

A nameless program of this kind can go on out of sheer bureaucratic inertia, unrelated to real need. It can be any amount for any time the Congress is willing to permit it. Congress can't cut off this program completely and abruptly without the danger of serious political and economic repercussions in nations which have grown accustomed to depending on grants.

Congress may be able to compel without undue dislocation a serious effort to end the program's aimlessness, to make it lead somewhere in each country, to taper off the grants over a period of 3 or 4 years, roughly the same time it took for the Marshall plan in Europe to come to an end.

To the argument that countries receiving grants aid are in far worse shape than the European countries were, one can only point out that we can hardly hope to push them to the European level in the next 50 years.

Furthermore, we have point 4 and the loan fund to continue to meet their needs after the 4-year shutoff period.

Effects of the amendments would be as follows:

It would require the President, in conjunction with next year's aid program, to submit a detailed plan for each country, providing for the progressive reductions to zero for economic aid over a 4-year period.

The amendment will have no direct effect on point 4 and Development Loan Fund but may work indirectly to increase the utility of the latter.

The amendment will have no direct effect on military aid but may work indirectly to bring about a reduction in such aid in countries which cannot maintain their present level of armaments except by massive doses of defense support. The amendment will not prevent the President from making emergency grants.

The amendment will compel the executive branch and the recipient governments to examine and reexamine seriously the entire aid program in each country. It will compel them to set annual goals for various specific economic ends such as increasing productivity, closing of foreign exchange gaps, increasing internal revenue and so forth.

It would compel them to seek new approaches toward achieving these goals, such as developing capital from other countries and private sources, shifting from grants to loans, cutting armed forces where indicated.

As to the value of the amendment, it will go far toward meeting public criticism of the entire aid program. It may save the program from meat ax cuts. It will be a welcome stimultant to responsible governments abroad which are anxious to end a one-sided continuing dependency.

It will be a spur to governments which have so far failed to act with vigor on their internal problems, having based their survival heretofore too heavily on the expectation of never-ending U.S. subsidies.

Senator CHURCH. Mr. Chairman, I would like to say one word.

The CHAIRMAN. Senator Church.

MAINTAINING MILITARY FORCES BEYOND THEIR CAPACITY

Senator CHURCH. In support of this amendment. It really cuts through the heart of things. I support it on one ground, my conviction—I think it is right, I hope it is right—that it is unrealistic for us to base our foreign policy upon the maintenance of military forces beyond the capacity of countries and their economies to maintain them.

I really believe that these forces are not doing the job we intend them to do. They are not contributing significantly to the security of the free world or the United States.

They can't stop the Russians if the Russians come, and they are no deterrent against the Russians coming. Now it is well understood that if there is a deterrent, it is atomic power. If there are conventional forces that can have sufficient substance to hold up a war if it starts, they have to be forces from countries that have sufficient wealth and substance to maintain those forces.

For us to go into areas of the world where this condition does not exist and arrange to maintain forces beyond the capacity of these countries to maintain them and pump money in to maintain the economy to maintain the force, to me just doesn't make sense.

The **Chairman.** What do you say, though, to the proposal of the situation in which there are smaller wars?

I mean the Vietnam situation or Iraq. If it really is a Communist country, to have Iraq attacking Iran—what do you say to that? That doesn't necessarily mean an atomic war, nor does it necessarily involve us.

What are the free independent smaller nations going to do in their defense? Aren't we interested in their staying free?

Senator **Church.** Yes; but with respect to these countries, there are other devices that are much more realistic, it seems to me.

The **Chairman.** I would like to hear them.

Senator **Church.** For one thing, we have mutual security pacts. We have an Eisenhower doctrine in the Middle East and other guarantees that we can give against invasions of a Communist character.

The **Chairman.** Each of those involves our getting involved. You don't want to create a situation where we must become involved.

Senator **Church.** No, I don't, but I am saying that where there is a real Communist threat we have that kind of a doctrine.

Where it really involves a question of aggression between countries, if the United States kept its hand out of it, these forces would very likely achieve a natural level.

In Pakistan, we have moved in and we have maintained forces that——

The **Chairman.** Frank, if the United States and Russia did, I agree.

SOVIET MILITARY AID

Senator **Church.** Where is Russia giving military assistance in these areas?

The **Chairman.** She is giving it to Egypt, to Iraq, to Yemen.

Senator **Hickenlooper.** To Afghanistan.

Senator **Church.** Is she giving it to Egypt in the form of weapons provided?

The **Chairman.** Guns.

Senator **Church.** Under purchase credit agreement?

The **Chairman.** And in Iraq and Communist China.

Senator **Church.** Is there any place in the Middle East, the area that we are discussing, where the Russians are maintaining a military assistance program comparable to the kind of program that we are maintaining which goes so far as to impose so great a burden upon the economies of these countries that we must then come in with American money and buy up the economies to maintain the military force? Take Pakistan, for instance. We had testimony, Mr. Chairman, which showed that the Pakistani force is larger than our own military people think is necessary, and for the purposes that we give them military assistance.

Yet we are giving enormous military assistance, and the Pakistanis say that it is required because of India, not because of Russia. It just seems to me that we are aggravating tensions, insisting upon the maintenance of military forces beyond the capacity of the economies of these countries to support, and none of it is directly related to the real problem that we want to get at.

WHAT ARE WE TO DO?

The CHAIRMAN. I have to agree with you on Pakistan. I have thought for many years that we overdid it. I think we made a plain mistake in the size and the nature of that program from the beginning.

But that is not the same proposition that is involved here. In dealing with them individually, country by country, to me the most glaring mistake they made of all was the Pakistani program, and this isn't the first time.

Many people on this committee have so stated. I am not quite clear, though, that this particular program reaches it without touching all these other programs which don't fall in that same category.

I never heard anybody, for example, seriously question the wisdom of the Turkish program and the Greek program.

I still believe that would have gone down the drain if we had not had that program and it has now created the situation in which Turkey can't maintain the size army that she does if we don't help.

I regret this very much but I don't want to take the responsibility of cutting out the program for Turkey and letting that part of the country gradually disintegrate and fall under attack. Not Russia moving across the border—she would be a fool to do that—but of internal infiltration and possibly pressure from a neighbor over a period of years.

On Pakistan I agree with you. I think they have made a terrible blunder in the size of that program, and it has created other problems. I would go along with any admonition that you think is suitable on criticizing the Pakistan program as I have in the past.

We asked the Secretary about it before and he said, more or less, "Well, what are we to do? These people are hard to manage. They insist on this army and we can't turn them loose because of the threats."

I felt sorry for him when he got through. He didn't seem to like it any better than I did but he didn't know what to do about it. You heard him.

Senator HUMPHREY. Yes; I did.

The CHAIRMAN. They have gotten into it and they don't now know how to get out of it. They have gotten the people used to it and it is a terrible problem. But I am very concerned about Iran and Turkey being subverted not by an all-out attack. I don't believe the Russians are foolish enough to do that, unless they mean to make an all-out attack on us.

They are not going to move across the border but that is not the whole question. I think Iran must be able to maintain itself against Iraq and I would hope perhaps Afghanistan. I think if they are reasonably balanced, then they won't be tempted. I don't want to minimize the difficulty. I am not sold on my views here, largely because I don't have enough assurance of my own view, and I tend to go along with the administration on this kind of a problem.

I don't think they are sold on it much, either, but they are afraid to give up the local forces that would protect them to some extent on their own independence.

I don't think any of them would assert that they think Iran could stand up against Russia.

Senator HICKENLOOPER. Not for any particular length of time, but the strength of Iran in that area can certainly go a long way toward maintaining local peace.

MASSIVE PROGRAMS ARE OUT OF BALANCE

Senator Church. The gist for my argument is that if the purpose of this defense support in these countries is not really to deter or prevent Russian aggression and is justified only by virtue of the danger of local aggression between the smaller countries, then it is not realistic for us to maintain military assistance that goes beyond the economies of these countries to support, unless the Russians are maintaining comparable programs that require this to be done.

Of the cases that we have referred to I don't know of any instance in which the Russian program takes such form that a pure military assistance program on our part encountered in the area that is proportionate to the size of the economies of these countries to maintain would not accomplish our objective.

But we go in with massive programs that are all out of balance to protect against the local aggression that forced the economies of these countries out of balance and we have to support the economies of these countries.

That just does not seem to to me to be a realistic program in the light of the objective it seeks to serve.

Senator Hickenlooper. When you talk about local wars, much of the operation in the Middle-East—in my judgment, anyway—is stimulated by the Russians.

They go around and prod these people into wars. I don't think, sir, Syria and Iran are going to get into a hassle unless Russia prods Syria into it or something of that kind, and then Iran ought to have some reasonable strength to defend itself.

The Chairman. Iraq is the danger right now, not Syria.

Senator Hickenlooper. Not Syria so much.

The Chairman. Goodness knows I can't second-guess the administration. I don't know what is going to happen out there.

I agree with you about Pakistan. It seems to me that that was a glaring and obvious example. When you get down to Iran, some of the others are not nearly as large and clear-cut.

I just don't feel like substituting my judgment, which is based on a very superficial knowledge of local conditions and so on.

There are certain areas where such common sense as I have does not seem to me to fill the bill. I don't know what to say about it. Your theory about not doing anything above the capacity of the country to support is a good one if you could eliminate the Russian interference.

Then it comes down to whether the Russians can afford to do this and we can't afford it.

It is whether we can afford it or not rather than whether Iran can afford it that is the big question to me. I think we can afford it, because we have a lot of fat here at home that we could trim down a little if the Russians force us to do it in order to hold our own vis-a-vis the Russians.

If the Russians can pour $300 million into Egypt in arms and it is a danger, then I think we have to afford to offset it.

In all fairness I must say I think we had much to do with starting that in the Middle East, not the Russians. To a great extent they responded to our initiatives, especially with regard to Pakistan, and I think it is a sad chapter.

But it is done and what can we do about it? I would go along with the spirit of this, but I think it is a little bit drastic.

Senator **Humphrey**. That is just what I was talking about to the Senator from Montana.

The **Chairman**. I am inclined toward the spirit of trying to move in this direction and putting some pressure on them.

I don't know whether it is too drastic or not, Mike. That is the only question in my mind. As you know, I have often said we ought to gradually turn this thing away from the grants, and whatever we do would be in the field of technical assistance and loans, with of course some special assistance for emergencies where things happen in places like Lebanon and so forth; but it is not to be considered a regular everyday approach.

COMPATIBLE WITH COLONIALISM

Senator **Mansfield**. Mr. Chairman, I anticipate that there would be exceptions, but I think it would be up to the administration to come down and cite those exceptions, whichever and wherever they may be.

But it is pretty hard to believe that any recipient country must be supported by grant aid indefinitely. This is compatible with colonialism but instead of our milking the area and getting something out of it we are paying to maintain it.

The **Chairman**. What do you say to a thing like Turkey?

What would be your answer to Turkey?

Senator **Mansfield**. The President would have to come in and give us definite reasons why, on the basis of the peculiar situation in Turkey, we would have to continue grant aid of a certain kind. But the only way you are going to get anywhere, Mr. Chairman, is to apply it on a carte blanche basis and separate the wheat from the chaff, if I may coin a phrase, and have the President come down and say which ones have to be continued. Otherwise we are going to keep on with 30 or 40 countries.

The **Chairman**. You anticipate that what would happen with this is that if we carried it out in good faith, he would come in and say, "There are these countries"—which are mentioned in the amendment—"which have to be continued. Now the others we will terminate in 3 years."

Is that it?

COMPARISON TO BOLIVIA

Senator **Mansfield**. That's right, but I would point out that there are actually few if any countries now receiving grant aid which need to be regarded as permanent dependencies, because that is what a lot of them are. Most of them are rich in resources. Turkey isn't as poor as Bolivia.

The **Chairman**. Bolivia is not rich in resources.

Senator **Mansfield**. Bolivia is rich in mineral resources.

Senator **Hickenlooper**. Yes; agricultural resources, mineral resources, oil.

Senator **Aiken**. Bolivia is very wealthy potentially.

Senator **Hickenlooper**. They are beginning to develop their oil.

The **Chairman**. Are they?

Senator **Hickenlooper**. They have a lot of mineral resources.

The new Santa Cruz Road has opened up that vast agricultural area in the eastern half of Bolivia.

I think Bolivia is one of the richest countries in South America.

The **Chairman**. I am glad to hear that. I had the opposite impression about it. I thought it was poor. I always understood, for example, that to a great extent we subsidized them on tin, on which they base such a large portion of their economy, and that in an open market, whereas if there had been a free market, the tin in Malaya and that area could undersell them.

I had always thought that. Is that not so?

Senator **Humphrey**. It is still true.

The **Chairman**. We were supporting it for political reasons.

Senator **Hickenlooper**. There is a lot of truth to that, but Bolivia has really sprouted its wings, and they are very weak wings, I will say that. They are not out of the woods yet by any means, but if Bolivia can go along for another 3 or 4 years, they ought to begin to be established on a fairly decent economic basis. But it has only been in the last few years that they developed oil down on the Argentine borders in the southeast part of Bolivia. They have that mountain range between the town of Cochabamba, which is about in central Bolivia, and a tremendous mountain range. The Andes is really three mountain ranges, on the eastern part of Bolivia, which is a great agricultural section. The only place they could sell their products, cattle or anything else is to ship them down the Amazon River or down the river to Argentina by barges. Their trade was all oriented toward the Atlantic Coast because the only transportation they had was down the rivers.

They couldn't get through the mountains. That is one thing the Export-Import Bank did.

The **Chairman**. Built a road?

Senator **Hickenlooper**. They built a very fine and, at the moment, adequate highway that connects the eastern part of Bolivia with the railhead at Cochabamba which is in the central part of the river. Then from the railhead at Cochabamba they can get both highway transportation and rail transportation clear up to LaPaz and the Pacific Coast. Oil exploration is going on very rapidly. They are now self-sufficient in oil in Bolivia, and they are exporting a little but with their potential they may be able to export a whale of a lot.

They were, up to about 4 or 5 years ago, almost 40 percent deficient in agricultural products so far as what they call the high area of Bolivia around LaPaz is concerned.

They have had to import a lot simply because they could not get the agricultural products over those terrible mountains. You just could not get through those mountains except on donkeyback.

Now they have an artery through there and they are very busy setting up Servicios down there. They aren't making as much progress as we would like to see them make, but after all is said and done that was a feudal country up until 6 or 7 years ago.

The **Chairman**. Your arguments justify the aid program to Bolivia more than the administration did, as a matter of fact.

Senator **Hickenlooper**. I am pretty strong for the potential of Bolivia if we can keep the political situation from blowing up in our faces.

The CHAIRMAN. Senator Humphrey is a great politician. Maybe he can tell us how to stabilize that political situation.

Senator HUMPHREY. I haven't had a chance to apply my hand in that yet.

Senator HICKENLOOPER. The political situation there will result from the difficult economic situation.

ELIMINATE TIME RESTRICTION

The CHAIRMAN. Mike, what would you think of your amendment striking "within 3 years"? It is a little milder; it doesn't have that finality. What you are really saying is, "You put your mind on how to do this and we think you ought to try to move away from these grants."

Would that appeal to you?

Senator HUMPHREY. Not unless I have to.

The CHAIRMAN. What do you think about that, Mike? What do you think about that, Bourke?

Senator HICKENLOOPER. I think it would help it if that 3 years was eliminated and progressive reduction looking toward eventual elimination were urged.

The CHAIRMAN. Just put a period there at the end of "elimination."

Senator AIKEN. Yes.

The CHAIRMAN. "Progressively reduced and eliminated."

Senator HICKENLOOPER. There is one other thing. I don't think we serve ourselves or our own interests too well if we require detailed future plans. We just lay it right out. One peek is worth two finesses in that kind of a deal.

Senator MANSFIELD. You would need a detailed plan to get them down to business.

Senator HICKENLOOPER. I think, Mike, there is a lot to that, but I am not so sure whether we should put it in this year or not.

Senator AIKEN. Wouldn't "specific" be a better word there?

The CHAIRMAN. How about "specific"?

Senator AIKEN. That would be general.

The CHAIRMAN. It is a little less detailed and yet it conveys the idea.

Senator MANSFIELD. All right.

The CHAIRMAN. Will you accept "A specific plan for each country" and put a period at the end of "eliminated"? I think that puts the bee on them and it is very clear as to what we have in mind, that we want them to take the initiative in showing the Congress how this should be approached. I will vote for that if you accept those two amendments.

Senator AIKEN. Let's vote it. We have the votes here.

"TELL US HOW TO CUT OUT THESE GRANTS"

Senator HICKENLOOPER. Of course, the argument with the people that administer these programs always has been that if you lay out a plan for country X and say, "This is what we are going to do for you in the future," then that is a commitment.

You have to do that. If you can hold back a little, you often are able to get them to do more in order to get certain things from us, for instance, under this program. When you commit yourself too far in advance, you lose that bargaining power.

Senator **Mansfield.** This is just a plan to be shown to us, Bourke.

The **Chairman.** This is just a plan to us. This would not be a plan to be given to them. The more I think of it, with that amendment it is quite consistent with what we did on the Development Loan Fund. We are giving them more money for the loan. "We want you to tell us how to cut out these grants."

Senator **Hickenlooper.** You submit a plan to Congress and it will be in the hands of every country in the world within 24 hours.

The **Chairman.** The specific plan as to how to reduce it, actually seems to me to be quite proper: "Tell us how you are going to proceed to reduce and eliminate the grant assistance."

As Mike envisions it—and I agree that that is sensible—there will be a few countries that will just say, "We envision a longtime on these," but on all the intermediate and less critical ones they would be expected to come in with a specific plan. I believe there may be a lot of merit in this amendment.

Senator **Hickenlooper.** I am not opposed to it, but what we are trying to get at here I don't know.

Senator **Aiken.** I don't think this would hamstring them at all.

The **Chairman.** I don't, either.

Senator **Aiken.** I think the shift from grants to loans would have some popular appeal, and also make them a little more realistic in some of these countries.

The **Chairman.** It would give the administrators down there a good argument in their negotiations with these countries to say, "Well, the Congress is insisting that we have to move in this direction."

Senator **Aiken.** And if they cannot get along without grants for a few years more, they would say so in their report to us.

The **Chairman.** That's right. They would so say. This does not prohibit it. Mike said he thought in some of these cases which we mentioned they would say, "We can't get along without the grants." That complies with this amendment.

Senator **Church.** Would it be at all helpful to say that we make this suggestion. "For the purpose of assistance or facilitating the transfer of economic aid from grants to loans"?

Senator **Mansfield.** I think it is better the way it is, Frank.

The **Chairman.** While you were out, Frank, it was suggested that "detail" be changed to "specific plan" and then to put a period at the end of "eliminated." That makes it something they can work with and it is an expression of policy with a request that they do something about it, move toward that.

Senator **Aiken.** It takes the ultimatum out. We objected to Gromyko's ultimatum yesterday.[2]

We shouldn't issue them ourselves.

Senator **Church.** Mr. Chairman, I move the question.

The **Chairman.** The Senator moves—with those amendments?

Senator **Church.** As amended, and make the suggestion that the report make perfectly clear the purpose of this section and the reason for it, including it in the bill.

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[2] At the Foreign Ministers meeting in Geneva the Western representatives rejected Soviet Foreign Minister Andrei Gromyko's proposal for a 1-year extension of Western rights in Berlin.

PASSAGE OF THE AMENDMENT

The CHAIRMAN. You have heard the motion. Is there any further suggestion or discussion? All in favor of the motion say aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no?

[No response.]

The CHAIRMAN. The ayes have it.

Senator HICKENLOOPER. I want to make clear that while I am not voting against this at this time and may not oppose it at any time, I am still troubled by it.

I am remaining neutral. It is all right to put it in if you want to, but I am not happy with it yet.

Senator MANSFIELD. Mr. Chairman, I want to make my position clear too. I did not vote on this because I am enamored of a definite limitation.

The CHAIRMAN. I think it is a contribution to bringing pressure on the administration to move in this direction.

It is consistent with what we have already done and I am very glad it is in here. If the committee and the Senate puts it in, I will try to keep it in conference.

I think it is a constructive step along the direction that I am interested in moving. Well, it is getting late. Are you all willing to take up any more while we are here? We may make some better progress if we move on a little longer now. Can you stay until 5 o'clock?

Senator HICKENLOOPER. I will stay.

The CHAIRMAN. All right, let's go.

Mr. MARCY. I have a little news here for you.

The CHAIRMAN. Do you want me to read it? The AP tickers of this afternoon has the following story: 3:45.

> Secretary of State Christian A. Herter today warned Andrei Gromyko that his plane stands ready to leave on 4 hours' notice unless Russia brings the Big Four conference back onto a reasonable negotiating basis, Western diplomats reported.

Senator CHURCH. I think the Secretary has shown that not just the Russians can give ultimatums.

Senator AIKEN. That is why I suggested that we go easy on dollars and cents for military assistance until tomorrow.

[Discussion off the record.]

[After further discussion the committee adjourned at 5:05 p.m.]

MINUTES

FRIDAY, JUNE 12, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met at 10:10 a.m. in the committee room, F–53 Capitol, in executive session.

Present: Chairman Fulbright (presiding), Senators Green, Humphrey, Mansfield, Gore, Lausche, Church, Hickenlooper, Aiken, Capehart, and Carlson.

The committee continued its markup of S. 1451, the Mutual Security Act of 1959.

[The committee recessed at 12:35 until 2:30 p.m.]

Afternoon Session

The committee met at 2:40 p.m. in the committee room, F–53 Capitol, in executive session to continue its markup of the Mutual Security Act.

Present: Chairman Fulbright (presiding), Senators Gore, Church, Hickenlooper, Aiken, and Carlson. Senators Mansfield, Morse and Humphrey later joined.

For record of the proceedings, see the official transcript.

[The committee recessed at 4:50 p.m. until 10:30 a.m. Monday, when the chairman announced he would press for a final vote on the measure.]

THE MUTUAL SECURITY ACT OF 1959 (MARK-UP)

MONDAY, JUNE 15, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to recess, at 2:35 p.m., in the committee room, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Mansfield, Morse, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Langer, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, and Mr. Denney, of the committee staff.

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DRAPER COMMITTEE REPORT

The CHAIRMAN. A member of the Draper committee, Mr. McGee, specifically called me up and he was extremely anxious that I call to the attention of the committee the fact that the Draper committee has rendered its second report to the White House, but the White House has not been able to clear it for publication.

There are three things that they mentioned and discussed with me at some length. In fact, they recommended strongly that I invite Mr. Draper to come before the committee. But I thought that was premature, and I am bringing it to the attention of the committee for whatever they wish to do.

First, one of their recommendations was that the military assistance fund should not be cut.

Second, the military assistance should be planned over a 3-year term, and therefore, there should be a general authorization.

As you will recall, I offered an amendment on this which was on page 9, and the committee rejected it.

Third, the hassle in the State Department over the control of the military program gives rise to questions regarding Mr. Mansfield's amendment on page 77, which we adopted, if you will recall; and the question that arose out of this was whether the committee decision rejecting my amendment or for putting it within the defense budget should be reopened.

I am not disposed to reopen it, and it troubles us all; but I want to bring it to the attention of the committee, so that I can say I did, and if anybody feels it should be reopened and you want to talk about it, I do not want to ignore the request that they put through me most seriously.

The other question was, should they reopen the question of the language of the Mansfield amendment? That is a memorandum for me—that is not from them, but just summarizes what was said.

I wonder if the committee wishes to make note of this new report and give it any serious consideration at this stage. Does anybody have any views on it?

Well, I brought it to your attention.

The next question, then, refers to the pending motion of the Senator from Oregon, and he is recognized, if he wishes to be, in connection with his motion.

$1.6 BILLION REDUCTION

Senator **Morse**. I want to summarize what I pointed out the other day. In my judgment, we should cut the $1.6 billion.

As I said before, I am satisfied that $400 million could be cut from this amount without decreasing the security of our country, and I think the American people are entitled to this minimum reduction in this budget.

I think the record is replete, as I said the other day, with example after example of a good deal of the expenditure which is totally worthless, and if we let it go to conference with the House maybe we will strike a reasonable medium between the two figures in conference.

I think it would be very reassuring to the American people that this committee reduced its military item by at least $400 million.

I offer that amendment.

The **Chairman**. Is there any further discussion?

Senator **Capehart**. What is the amount you are going to reduce it by?

Senator **Morse**. Four hundred million dollars.

Senator **Capehart**. Bringing it down to $1.2 billion?

Senator **Morse**. That is right.

Senator **Mansfield**. Yes.

Senator **Langer**. Can we have a roll call vote, Mr. Chairman?

The **Chairman**. The Senator from Indiana.

Senator **Capehart**. Where is Senator Hickenlooper?

Senator **Aiken**. I know he wants to vote against it.

The **Chairman**. He went out and said he would be back.

Senator **Aiken**. If he does not mind we will vote him against it.

The **Chairman**. If there is no one else who wants to discuss it I would like to say a word.

Senator **Capehart**. I want to offer an amendment to the able Senator's amendment to make it a reduction of $200 million, rather than $400 million; make it $1.4 billion.

Senator **Morse**. The House figure at the present time is what?

The **Chairman**. $1,440,000,000. Does the Senator wish to go below the House? He will have nothing in conference.

Senator **Capehart**. I move we reduce the amount by $100 million, making it $1.5 billion.

The **Chairman**. Is that a vote? We will recess for about 10 minutes.

[A short recess was taken.]

The **Chairman**. The committee will come back to order.

Senator **Capehart**. I wish to withdraw my substitute.

The **Chairman**. The Senator from Indiana wants to withdraw.

I would like to ask the committee's permission to authorize the staff to make a number of routine changes like renumbering of sections and so on that are always necessary in dealing with a bill such as this.

Without objection, the staff is authorized to make those technical changes that are necessary.

Is there anything else of that nature while we are waiting?

Mr. HOLT. I think that is all. Isn't that so, George?

Mr. DENNEY. Yes.

ENCOURAGE PRIVATE ENTERPRISE

Senator CARLSON. Mr. Chairman, if you are going to wait for some of the other folks to come down, I offered an amendment the other day to protect private industry from some of the competition we might get from Development Loan Fund projects. I did not get any support but my own, and I was wondering if we might get a statement of some kind into the report that we at least give some thought to it, to strengthen it a little.

The CHAIRMAN. I think it has been the philosophy of the committee that we want to do that, but it is very awkward to try to put it into the law to require it; it is a very difficult thing to do, and you get into grave administrative difficulties.

I would certainly have no objection to putting a statement into the report that where feasible in administering the program, why, we ought to encourage private enterprise.

Senator CARLSON. Would the chairman have any objection if I sought to prepare a statement and submitted it to the staff, and if I had the approval of the Chairman? I have not anything definite, but I do not think it is going to hurt, in view of what is going to happen in 2 or 3 years with respect to this program based on competition we are going to get from some of these countries we have rehabilitated, particularly in Europe.

The CHAIRMAN. I think it would be a good idea if you would do that.

Senator CARLSON. I will submit it to the staff and if they think it is not advisable——

Mr. HOLT. Mr. Chairman, I do not think the staff wants to be put in the position of deciding whether or not something which is submitted by a Senator is advisable to go into the report.

Senator CARLSON. There will be no problem with this, I can assure you.

The CHAIRMAN. I think the staff knows we have made statements in the past about our wanting to encourage private enterprise and so on, without putting a specific amendment into the law.

Senator LAUSCHE. What is the general language?

The CHAIRMAN. I was just saying I hope we do not get off on some other thing like that. We have enough here, and we ought to get to voting.

The Senator from Indiana has withdrawn his amendment.

Are you ready to vote on the amendment of the Senator from Oregon?

COMPARISON TO HOUSE ACTION

Senator CHURCH. Mr. Chairman, I would like to suggest a substitute amendment for the consideration of the Senator from Oregon in this matter.

The amendment of the Senator from Oregon is to reduce the military assistance by $400 million.

This is a 25 percent reduction.

The House has reduced military assistance by the sum of $160 million, which is a 10 percent reduction.

As I understand the action taken by the committee in the past 3 weeks, particularly the enactment of the Fulbright amendment, if this committee were to reduce military assistance and defense support in the same amounts that the House committee has reduced military assistance and defense support, our bill, as I would figure it, would be $200 million above the House bill, if we adopt their reductions in military assistance and defense support.

That is so because, in enacting the Fulbright amendment, we are authorizing $1 billion to be used out of the Treasury for the Development Loan Fund this year against $800 million in the House bill, which would be raised by appropriation.

So when that is taken under consideration, if we reduce the amount of military assistance and economic support by the same amounts that the House has, we will still recommend a bill that is $200 million above the House bill. That is one consideration.

I think that the military——

Senator LAUSCHE. I do not follow you on that.

Senator MANSFIELD. One billion dollars a year authorization.

Senator CHURCH. We are authorizing $1 billion a year for the Development Loan Fund. Do you see what I mean, Frank?

Senator LAUSCHE. Yes.

Senator CHURCH. Mr. Chairman, this will be my last chance to say it, but in the last 3 weeks I have talked too much, too vehemently, and sometimes too intemperately for a new member of the committee, and I appreciate the courtesy and patience and tolerance that has been shown me. I am going to speak only 2 minutes on this.

I would have no objection to supporting the full amount the President asks for in this Mutual Security Program if I felt that it were well balanced and was really serving the needs of the country in all of its aspects.

It is a very unpopular program in Idaho, but I would support the full amount.

BADLY BLOATED PROGRAM

In the last 3 weeks I have come to feel that the program is very badly out of balance, and it is very badly bloated, and in many ways it is not serving our interests in the world.

Whenever we enact a program that gives 10 times as much assistance to Iran as to India, that gives 16 times as much assistance to Pakistan as to India, 5 times as much assistance to Jordan in terms of military assistance and economic support as to India. I think it is out of balance to the real needs of the country and to the ends that it is supposed to serve.

I know that in breaking down the military assistance and economic support requests we are giving more military assistance to the Middle East than we are giving to Europe, where the nature of the Communist threat is definitely military.

We are giving twice as much military assistance for the protection of some very small areas in the Far East as we are giving to the protection of Europe.

I do not mean to rehash all the arguments, and I will not. But I think the program is swollen and out of balance, and it needs substantial curtailment in these areas.

The Senator from Oregon has proposed we reduce it $400 million. That is a 25 percent cut.

I would propose as a substitute that we reduce it $200 million for military assistance, which is only half as much, and would bring our military assistance down to just $40 million below the House figure.

I think we should couple that on a ratio of 2 to 1, as the administration bill does, by adding to the $200 million reduction $100 million reduction in economic support. That would be a $15 million greater reduction than the House has effected in that category.

The economic support or the defense support is given only for the purpose of buoying up an economy that is maintaining a military force too large for it to support on its own; and $100 million reduction would be in direct ratio to the 2 to 1 ratio that is established under the administration's bill.

It would also be consistent percentagewise with the cut that has been made by the House.

Senator KENNEDY. Mr. Chairman, I wonder if the Senator from Idaho would think of trying to vote on these separately because we are faced then with a choice which I am not sure as to either amendment.

Senator CHURCH. I would have no objection. I would only want, as to the form of it, to say that in the event that the Senator from Oregon's amendment is to be voted down then I should like to——

The CHAIRMAN. You will have an opportunity to make any of them if we can get a vote on his amendment. Then we can move on to one right after the other, if you will permit us to vote on this.

Senator MORSE. Mr. Chairman, may I take a minute?

The CHAIRMAN. Senator Morse.

FLOOR ACTION MAY BRING DRASTIC CHANGES

Senator MORSE. First, I want to say to the Senator from Idaho that I hope I never hear him say again that in this committee he has talked too much. I hope I never hear him say again that because he is a new member of the committee he is going to refrain from talking more. I want him to know that I happen to think that he has made some outstanding contributions to the discussion of this committee and it will be our loss, and I mean this most sincerely, if Frank Church sits here with any reticence about speaking up and expressing his views on the various problems that come before this committee.

So long as he sits on this committee as a representative of the people of Idaho, he has the duty—and he knows it, and he will carry it out—to make his points known as these issues are raised.

I make these comments because I only want him to know that I think we are all indebted to him for the contribution that he has already made to this discussion. I do not want to hear any more about what he has said.

I wish I could go along with his substitute. I cannot because I think we ought to consider this problem from the standpoint which I present it now.

I think it is so important, as you pointed out the other day, Mr. Chairman, that we try to find, if possible, that point where the majority of us can go along on the figures so that we can present as united a front as possible on the floor of the Senate, because I think unless we do that we are going to have a situation where some drastic changes are going to be brought about on the floor of the Senate.

The Senator talks about this not being popular in Idaho. In my judgment there are many places in the United States where there is an incipient grumbling attitude, where the people are going to strike out against the great waste that I think is imbedded in this bill.

The Senator referred to many military aspects of it as representing bloat. It is an apt description.

I referred to it in the hearing as full of water.

I just say, Mr. Chairman, that we can reduce this by $400 million, which would result in a more efficient and effective military administration, and a more secure United States than there is with this money in it. I am satisfied, as I said here the other day, that a lot of these expenditures are causing this trouble, that they are creating strength for communism rather than putting us in a stronger position against communism. And I think that is particularly true in Africa, Latin America and Southeast Asia.

I happen to think there has to be a substantial amount taken out, more than the House has taken out.

While I am open to reason about it, I think the $200 million is too low, and I would like to see us try to work out, if we could, a figure somewhere between $200 million and $400 million.

If my $400 million fails—and I think it is a very reasonable figure—and I am not confronted with a substitute of a lower figure, I shall offer as my second amendment $300 million.

Senator AIKEN. Mr. Chairman, I want to make one statement in regard to what Frank said.

We cannot draw a comparison on the aid given to the different countries in the world on the basis of the mutual security loan.

Senator CHURCH. I know that.

CASE OF INDIA

Senator AIKEN. I particularly mentioned India because you have to take into consideration that aid given them through Public Law 480, through the Export-Import Bank, and also through the World Bank to which we contribute 50 percent of the amount, and other agencies through which we render aid, in some cases anyway, it does not make the percentage of military quite as large.

Senator CHURCH. That is true. Those other programs have to be taken into the balance. I was referring merely to the framework of the Mutual Security Program.

Senator AIKEN. In the case of Iran, we cannot sell them much.

PREFER EXTRAVAGANCE IN DEFENSE

Senator Capehart. Mr. Chairman, I think one has to ask himself this question: Do you think that Russian Communists would destroy the United States militarily if they thought they could? You notice I add, "if they thought they could."

If your answer is yes, and I am sure this committee's answer would be yes, then you get down to the question of how best to defend the United States.

I have always thought that the best way to defend the United States against Russia in this modern age of jet airplanes, atomic and hydrogen bombs and missiles, is to stay close to Russia, with as much strength as possible, with as many friends close to Russia as you can, and keep her as far away from the United States as possible. This military assistance is an effort to do the right thing. I do not think that any man is wise enough to say that any dollar amount is the exact amount.

I think one could well say $2 billion; he could say $1 billion and a quarter; he could say $1 billion this, $1 billion that. I do not think anybody is wise enough to say.

But I do think one can reason that the best way to defend this country is to stay as close as possible, with as much strength as possible. That is what your military assistance and defense support enable you to do.

Therefore, I think that $400 million would be entirely too much to cut it. In fact, we might well decide that the amount asked by the administration is the proper figure; maybe the proper figure is $1,440,000,000.

Possibly somebody with more concrete evidence and facts and statistics than we have had better set the amount.

On the other hand, we have to make certain we do not bankrupt the United States, and we have to make certain we save every dollar wherever we can. But it is not going to do us much good to save money here at home if we are going to lose it to communism and to Russia.

So if we are going to be extravagant in any direction, I would prefer to be extravagant in this direction, because I think if you analyze the military aspects of this, you will agree that the closer we can remain to Russia, at the most strength possible in case of war or conflict, the better off we, our friends and allies are.

The Chairman. Is that all, Senator?

Senator Capehart. That is all.

The Chairman. Wait a minute. So that we may understand the situation, are you offering a substitute?

Senator Church. At the suggestion of the Senator from Massachusetts I did not offer this as a substitute so that the vote could be taken cleanly on the Morse proposal.

NATO AND NON-NATO AREAS

The Chairman. That is what I understood. I was just clarifying. With regard to that, I hope the committee will not vote for the Morse amendment.

I intend to make a suggestion to the committee a little later, but I thought that since Senator Morse had made this motion on Friday and it was the pending business, he was entitled to a vote on it.

I shall suggest, if someone else does not, an amendment which I won't discuss at length now, which would be designed to earmark a greater amount of this $1.6 billion for the NATO area, which in effect, within the $1.6 billion would reduce the non-NATO area.

I will not go into all the arguments now, but certainly the two main points that I want to make are: one, that the complaints about the military assistance have, generally speaking, originated from areas outside NATO, such as Pakistan or Thailand or Latin America.

On the other point, at the moment the European area, is in an extremely sensitive area. The conference going on in Geneva relates to the security of this area, and I would regret it if we took action that would give the impression we are not serious about our defenses, and that the Congress does not support, at least this part of our defensive armaments. In connection with that, while the President's committee, which has been before this committee and met with them under Draper, said generally the military assistance was sufficient, they did not say specifically on non-NATO, but with regard to NATO they said it was $400 million too little. So by and large I think that approach would be justified. But in any case, for the immediate vote I shall vote against the Morse amendment.

Senator **Hickenlooper**. Mr. Chairman, I merely wanted to observe that so far as Senator Church's statement a moment ago is concerned, and the comparison of the Pakistan and others with India, India has neither sought nor accepted any military assistance. So whatever you compare with zero is and makes a startling comparison. But India has refused to accept military assistance from this country.

I think she has insisted on buying and paying for whatever arms and munitions she has received, so she has not been included in this program.

Senator **Church**. I just wish other countries in the Middle East had followed that. We would have $400 million here for military assistance to India, and the argument would be that we wanted to protect ourselves against Russia. I just think regarding the military assistance here in this part of the world, all the testimony and questions and answers I have heard in the past 3 weeks were very unconvincing in terms of the real contributions being made to the security of this country vis-a-vis the Soviet Union.

MILITARY REQUESTS ALWAYS EXCEED ITS NEED

Senator **Morse**. Mr. Chairman, I want one-half minute of comment and then I am through.

I, too, think we have become strong enough so that Russia will not dare to attack, and that is why I have been such a strong supporter of our own defenses and NATO defenses. But I want to point out that we are putting up some other defenses that I think lose us strength because they help to drive many people into the arms of Russia; I think you have to make the cuts there.

As to your observation about the Draper committee, Mr. Chairman, I was not at all surprised at the recommendations. I would say the committee has pretty much a background of the military, and the military are always going to find more than they expect to get. They are asking for more than they expect to get. It is an old military practice, and there would be a lot of chuckling, Mr. Chairman, if you gave them what they asked for.

Furthermore, I think you are up against the fact that we have run far beyond the appropriations we can justify, and we are going to weaken our own program so far as the American public opinion is concerned if you give a basis for a nationwide debate in the months ahead. The objections of the American people are growing, and I think in the last analysis they have a right to have the last word. We must make some cuts.

The CHAIRMAN. Any further discussion? Senator, would you like a roll call?

Senator MORSE. Roll call.

The CHAIRMAN. A roll call on the Morse amendment.

Mr. HOLT. Mr. Green?

Senator GREEN. No.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. No.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. No.

Mr. HOLT. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. HOLT. Mr. Morse?

Senator MORSE. Aye.

Mr. HOLT. Mr. Long?

[No response.]

Mr. HOLT. Mr. Kennedy?

Senator KENNEDY. No.

Mr. HOLT. Mr. Gore?

The CHAIRMAN. No.

Mr. HOLT. Mr. Lausche?

Senator LAUSCHE. No.

Mr. HOLT. Mr. Church?

Senator CHURCH. No.

Mr. HOLT. Mr. Wiley?

Senator WILEY. No.

Mr. HOLT. Mr. Hickenlooper?

Senator HICKENLOOPER. No.

Mr. HOLT. Mr. Langer?

Senator LANGER. Aye.

Mr. HOLT. Mr. Aiken?

Senator AIKEN. No.

Mr. HOLT. Mr. Capehart?

Senator CAPEHART. No.

Mr. HOLT. Mr. Carlson?

Senator CARLSON. No.

Mr. HOLT. Mr. Chairman?

The CHAIRMAN. No.

The vote is three ayes and thirteen noes, and the motion is lost.

I wonder if the Senator—he has already announced he wanted a similar amendment—would perhaps be agreeable to consider another approach. If the committee does not like it——

Senator MORSE. I will hold that.

The CHAIRMAN. You have had one test of that.

Senator MORSE. Yes.

SITUATION MAY COME BACK TO HAUNT US

The CHAIRMAN. I will ask the clerk to read this. I think this amendment is clear.

Mr. MARCY. We have copies which we will pass around. This amends section 103(a) which is the military assistance section.

> **There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,600,000,000 which shall remain available until expended, provided, however, that of the funds made available pursuant to this section $1,100,000,000 shall be available only for assistance to countries party to the North Atlantic Treaty or for activities of the North Atlantic Treaty Organization in such countries.**

Senator MANSFIELD. Mr. Chairman, I think in taking into effect the recommendations of the Draper committee we should recognize that where we are absolutely bound, as we are at present, in such countries as South Korea, Taiwan and South Vietnam, we are creating a situation over there which may come back to haunt us.

Those countries are not viable as far as their economies are concerned. Two or three or maybe all three can become pretty much that way over a 3- or 4-year period, in my opinion.

So far as the North Atlantic countries are concerned I do not know of a weak currency in that area, as the chairman indicated before the vote this afternoon.

As a matter of fact, the Austrian shilling, the deutsche mark are stronger currencies at the present time than the dollar.

I know of no weak currency in the North Atlantic area.

I know of no country which has not made a good economic comeback, and I think we ought to keep those facts in mind in our vote on this amendment.

The CHAIRMAN. Let me just explain what I think this means.

The military assistance is $1.6 billion. This present program of $714 million is already programed for members of NATO. The $138 million is for NATO cost-sharing programs such as the infrastructure and international military headquarters, and $25 million is for a credit to a proposed NATO spare parts agency.

The total for NATO is $877 million.

This amendment would thus have the effect of increasing the administration's request for NATO by $223 million, and of decreasing the request for other parts of the world by the same amount.

I think we all know that the most criticisms of military assistance, as I have said a moment ago, have been directed to the program in the underdeveloped areas.

The Senator from Idaho, whose comments certainly are directed in that area, so mentioned. But a cut in the overall amount such as has been proposed does not in itself necessarily serve to reduce the program in these areas at all, certainly not more than pro rata.

Military assistance to NATO has been supported generally speaking.

The countries of NATO are able to absorb and utilize more assistance and more advanced weapons. They do not have the same problems with advanced weapons in these areas as they do in the underdeveloped areas.

In other words, if you send them jet planes—there was much criticism the other day, using it as an example of jet plane program in Ethiopia. It was not because we were against jet planes per se; we are perfectly willing to supply jet planes to England or to France or Germany. But it was because the conditions in that country are not appropriate for receiving such advanced weapons.

So NATO is an area where military assistance can, in fact, produce a significant military force that can be utilized vis-a-vis Russia, whereas it is quite proper to say that it is doubtful that an army in Pakistan or in Iran or in Iraq would be of great significance versus Russia.

I have already referred to the fact that the Draper committee did not recommend specifically that any decrease be made. In fact, it recommended that the program as a whole be kept as is, plus an increase of $400 million.

What this amendment intends to do is not to increase it by $400 million but to transfer from the underdeveloped area to NATO the $233 million. To that extent it does not go the whole way, certainly, but it goes in that direction.

By that earmarking, I think the staff believes that you would force a cut in this very area about which complaint is made.

This would still leave $500 million for non-NATO countries.

This would more than take care of the administration's request for the areas that the Senator from Montana mentioned—that is, Korea, Taiwan and Vietnam; $500 million will cover that.

WE MEAN WHAT WE SAY ABOUT EUROPE

This amendment is consistent with other committee action which tightens the criteria for military assistance to underdeveloped countries.

We have tried to move in that area and we see and we know that it is difficult to do that. But if you cut down the amounts available for the non-NATO countries you do force them; and the amendment, coupled with other committee action so far on the bill, would serve to further emphasize economic programs in underdeveloped areas, and military programs in Europe.

Insofar as the Russians pay any attention to congressional action this would indicate to them that we mean what we say about Europe, and that we are also serious about economic aid in Africa and in Asia.

So to that extent, I think this approach is consistent with many of the actions we have taken, and a great deal of the debate and discussion that has taken place around the table. I, for one, under the conditions prevailing in Geneva and in the world am not willing to take the responsibility for cutting the overall amount.

I do not pretend they are infallible, and maybe they have made mistakes; but certainly the members of my party have had much to say in criticism of this administration in their failure to make adequate preparations for defense, especially in the conventional forces.

I have made a statement on the floor once or twice. I have been to the Department of Defense complaining about their cut in our own

Army—that is, from a reduction of some 30,000 personnel—which is to take place immediately, and there have been other complaints.

There may be questions about whether or not this is the very best way. But I think that NATO, in spite of the fact that we are having some trouble with one of our principal partners, is the hope of maintaining a really effective force against Russian aggression.

Senator **Church**. May I ask a question, Mr. Chairman?

PRESIDENTIAL IMPOUNDMENT OF FUNDS

The **Chairman**. Yes, sir.

Senator **Church**. A minute ago I voted against the Morse amendment for one reason only. It seemed to me that a cut of 25 percent would be a cut so substantial as to raise some questions as to our position in Western Europe, even though that was the furthest thing intended.

I do know that we have had difficulty, however, getting the President to spend money for military purposes above the level of his request. We have had this difficulty in connection with our conventional forces and in connection with the National Guard.

We have authorized the use of the money and the President has simply impounded it, and refused to use it because he said it simply was not necessary.

I wonder if, by our giving him more, he might not take the same course he has taken with respect to our own military forces, merely impound the money and refuse to use it.

I wonder if we will accomplish the objective you have in mind simply by authorizing more money than he thinks is necessary.

The **Chairman**. If that is one of the alternatives, you have to take the contingency of his cutting it.

Senator **Aiken**. It is not necessary, but I hope he would.

The **Chairman**. I agree with you that there is not much we can do about that situation. We have run into it in many cases. You cannot force him to do it.

Senator **Church**. I would like to see the net amount of the program cut in this field. I wonder if this could be accomplished, Mr. Chairman, by effecting a cut and then providing that no part of that cut is to be made in the European theater.

The **Chairman**. Let me say this with regard to some cut. You already have a cut of the House in this particular item of $160 million. I can guarantee that you are not going to restore all of that in conference with the House. Whether or not they will cut it more on the floor, I do not know. You will get some cut. We also have the floor to face if you are worried about our not getting any cut at all. I can reassure you on that score. The question is how much of a cut.

I want to give the President every dollar he says he needs for the purpose of NATO in Western Europe. He says $411 million is necessary.

There is bound to be some cut in view of what the House has done. I imagine that might be even more. I do not know what action the House will take.

Senator **Lausche**. Does the Chairman understand his proposal will cut the military to non-NATO countries by $223 million?

The **Chairman**. Yes.

Senator LAUSCHE. And bring it down from $723 million to $500 million or a 33 percent cut practically?

The CHAIRMAN. That is my understanding of the effect of that amendment.

Senator LAUSCHE. That is, it would be cut—I would say 30 percent in the non-NATO countries.

SETTING UP THE MACHINERY FOR A CUT

Senator HICKENLOOPER. Mr. Chairman, I think you have proposed an interesting suggestion here. My own preference would be to go along with $1.6 billion in view of the House's action without too much restriction. But I think, as you or somebody else pointed out a moment ago, in effect you are in this amendment definitely reducing the amount for non-NATO countries from $723 million as it is now programed to $500 million.

You are adding the $223 million to the amount set up for NATO.

Now, assuming that the amount set up in the budget proposal is, in fact, all that is reasonably needed at this time for NATO, then what you are doing is really setting up the machinery for a cut, if the President accepts it all. If he does not need it all, there is an actual dollar savings in this matter. But if it is needed as a result of some contingency in NATO where our united strength lies, it will be there.

As I say, I do not know what to do with this amendment. I am prepared to support the $1.6 billion without putting on the restriction.

The CHAIRMAN. If the Senator will recall, I have in the past complained about the size of the Pakistan program, as have many others, certainly. I am not the only one, and most of the complaints have arisen from that.

This struck me as a way to preserve the integrity of the overall program, and if he does not need it, you are right; that is a cut. That is what it will have to be if he is not irresponsible about it.

On the other hand, it gets at the very thing many of us have wanted to get at.

I never did have a good way of doing it. We could hardly put in the legislation, "You shall not give Pakistan anything." That is bad legislation, and I do not say we should give them nothing. It is a matter of emphasis.

I do not believe this will be cut out altogether. We have testimony that Pakistan is supporting beyond what our own people think is necessary in divisions, and I hope that this proposed settlement of the Indus River matter will bring some reassurance in that area.

But I think it is a very strong nudge in the direction in which I have felt many of the members of this committee wanted us to move, and yet it does not hamstring it.

It does not appear to Russia we are cutting it. It would not have the psychological effect of saying that we are not supporting the administration. We are supporting it.

All we are saying is to apply it in a different way.

VERY ADVANCED WEAPONS

Senator LAUSCHE. Mr. Chairman, what answer do you give to the statement made by Senator Mansfield that the Austrian shilling, the German mark and, I think, the French franc——

Senator **Mansfield**. Not the French franc yet. I said the Swiss franc, but that is outside the NATO area.

Senator **Lausche**. I understand the French franc has practically reached a position of the strength equal to ours, if not greater. How do we answer the people of our country when we are giving financial aid to the countries, increased military aid——

The **Chairman**. Senator, they are making and have made economic progress. This program is primarily for the very advanced weapons most of these countries cannot make.

Germany might afford some, but most of these weapons—missiles in particular, and especially those involving nuclear warheads—can be made only in this country, and if we do not do it, it is not going to be done.

This program is for our defense. Being the richest and best able to carry it, I think we have to carry a major part of it.

I am not prepared and I do not know that anybody on the committee is prepared, to argue every last nickel that this is the very amount which is necessary for our defense.

We have to go pretty much in generalities. If you have an impression, a belief, that this is more than necessary for our defense, of course, you should vote to cut them.

As an overall proposition, I do not believe it is too much. I have felt that it was poorly balanced.

I agree with the logic of what the Senator from Idaho said about the balance of the program. I have agreed with other members of the committee in the past about the South American program and about the Southeast Asian military program.

But this is a device or a suggestion, if you like, that I thought might meet the two aspects of the program.

I do not personally wish to take the responsibility of any substantial cut. I do not say I will not make any cut. I am convinced there will be a cut before we are through. We are just at the first stage on this matter, and I recognize much of what the Senator from Oregon has said.

There is great dissatisfaction. We read a report of the Porter Hardy committee complaining of the corruption in Laos and of course the reaction is, why don't we get rid of that? But you could say the same thing if you read the details of the construction of the new Senate office building. Do you want them to say, Why don't we get rid of the Senate? They are a bunch of dopes, building a building with all kinds of defects and wasting money?

Of course, there have been mistakes, and Laos is obviously a bad one so far as administration goes.

I think some programs are probably justified.

Unfortunately, some American private concern seems to be responsible for much of the corruption, which is a reflection upon the morals of American business. But we have to live with it anyway and do the best we can.

Senator **Aiken**. Even if we add the $223 million to the NATO fund, the NATO countries will still be contributing several times as much in costs to the mutual defense of the West as we are contributing through NATO; not as much as we contribute to our own Defense Department, but they will be paying considerably more than we are several times over, I think.

The **Chairman**. The Senator asked a moment ago; it is just a fraction over a 30 percent cut of non-NATO.

Senator **Morse**. Mr. Chairman, I think your procedure is very unsound and will be opposed.

Much more than the $1.6 billion likewise will be opposed. It is unsound procedure for several reasons. I have not found out all that happened at the recent NATO conference, but there was great concern within the private voluntary group in London as to the extent to which NATO is being built up at the expense of the United Nations, and I think NATO can be very much overemphasized.

CARRYING THE LOAD FOR EUROPEAN TAX DODGERS

I am strong for NATO as a military defense organization. But there seems to be growing danger that it may expand beyond that into a different type of alliance and, furthermore, I do not think it is going to be very well received in this country that we added $223 million to NATO.

You speak about its being for our defense, but it is also for the defense of the NATO countries. It is recognized we have been carrying more than our share of that burden for a long time, and it is about time that they should be increasing their contributions rather than our increasing ours.

They can buy those weapons that you say can only be manufactured in the United States. They have the currency with which to buy it.

Furthermore, as I have said in this committee before, there is not a great deal of happiness in many parts of this country as to the extent to which the taxpayers of a good many of the NATO countries do not assume their burden. The American taxpayer is getting a little weary of carrying the load of tax dodgers in France, Italy and elsewhere in Europe.

It is pretty much a sorry situation.

Part of the legislative process and part of our responsibility is to sit here as members of the committee and listen to the testimony of the administration and pass a value judgment. That is our job. And yet we run into the kind of a decision—and I have experienced it now for 15 years—that you have this emergency or that emergency. You have the Geneva Conference; you have the world situation what it is. I do not want to sit here and be responsible for denying the administration what it asks for. What we have to decide is whether or not the administration is asking for too much, and it is our duty if we think it is to deny the administration what it is asking for. I am not the least bit moved by the repetition of the argument that the world is in a bad state and therefore we ought to give them what they want. They have gotten by with that for so many years.

It is interesting that whenever the appropriation is given and the crisis is over, there is a remarkable period of relaxation, and they work us up again at the next appropriation time with another padded budget.

I just happen to be one who is not going to vote for it. We will just have to wait and find the people to make clear to the majority of the Congress that they are fed up with the kind of waste of the taxpayers' money that I think is very clear in such a budget as this. I think we ought to fix a definite sum and cut it.

Senator **Mansfield**. Question.

PASSAGE OF THE MOTION

The **Chairman**. Are you ready for the vote? Call the roll, Mr. Clerk.

Mr. **Holt**. Mr. Green?

Senator **Green**. Aye.

Mr. **Holt**. Mr. Sparkman?

The **Chairman**. Aye.

Mr. **Holt**. Mr. Humphrey?

The **Chairman**. Humphrey? I do not know about him. He is not aware of this and I cannot vote him.

Mr. **Holt**. Mr. Mansfield?

Senator **Mansfield**. No.

Mr. **Holt**. Mr. Morse?

Senator **Morse**. No.

Mr. **Holt**. Mr. Long?

[No response.]

Mr. **Holt**. Mr. Kennedy?

Senator **Mansfield**. Aye.

Mr. **Holt**. Mr. Gore.

The **Chairman**. Aye.

Mr. **Holt**. Mr. Lausche?

The **Chairman**. He just stepped out for a minute.

Mr. **Holt**. Mr. Church?

Senator **Church**. No.

Mr. **Holt**. Mr. Wiley?

Senator **Wiley**. No.

Mr. **Holt**. Mr. Hickenlooper?

Senator **Hickenlooper**. Aye.

Mr. **Holt**. Mr. Langer?

Senator **Langer**. No.

Mr. **Holt**. Mr. Aiken?

Senator **Aiken**. Aye.

Mr. **Holt**. Mr. Capehart?

Senator **Capehart**. Aye.

Mr. **Holt**. Mr. Carlson?

Senator **Carlson**. Aye.

Mr. **Holt**. Mr. Chairman?

The **Chairman**. Aye.

Do you wish to be recorded on this vote, Frank? We just called the roll.

Senator **Lausche**. No.

The **Chairman**. The vote is 9 yeas and 6 nays. The motion is carried.

NO EFFECT ON LATIN AMERICA

Senator **Morse**. With this motion passed, how much more does our bill authorize than what the administration asked for, total?

The **Chairman**. This does not affect the total. The only amount that is affected would be the authorization under the Development Loan Fund.

Senator **Morse**. That is what I mean. What is the authorization over and above what the administration requested?

The CHAIRMAN. Of course, the way the committee acted on that it leaves it in an authorization to borrow through the Treasury $300 million more than was authorized to be appropriated.

Senator MORSE. Does it give the administration what it wants and add $1 billion more by authorization?

The CHAIRMAN. The administration does not want the Development Loan Fund.

Senator MORSE. But they want the $1.6 billion and you are giving them another $300 million which they have not asked for, which the taxpayers understand. Does this action we have taken on your motion wipe out the savings we tried to make on the Latin American military aid?

The CHAIRMAN. I do not know how this would affect Latin America.

Mr. MARCY. It would have no effect on Latin America.

Senator MORSE. We have cut Latin America previously, have we not?

The CHAIRMAN. It would depend. The administration would have discretion within the $500 million left for non-NATO to apply it where they think it is best to apply it.

Senator AIKEN. I was going to say that $31.5 million according to your lawyer terms would be in escrow. They could spend it for certain purposes, and if it is not called for for that, then it becomes part——

Senator MORSE. They cannot spend it for a military purpose?

Senator AIKEN. Yes, for an international force, but if they do not spend it for that then it is available for the economic development.

Senator MORSE. We cut the $96 million down to $65 million.

Senator AIKEN. Yes. But it is still available for economic development.

Senator MORSE. That is right. But I am talking about military aid. What I want to know is, does the Fulbright proposal for $1.6 billion for military assistance, with $223 million added for NATO taken off the rest, affect the saving on Latin America?

Senator AIKEN. No.

The CHAIRMAN. It does not directly. It could in the administration of it. The administration will have to choose as to where it applies the cut on the non-NATO countries.

Senator MORSE. That is what I mean. What you have done by adding $223 million, in effect, is given the administration discretion to set aside what they already decided on in this committee about Latin America. I think it is tragic, but that is what the result of it can be. The administration can now say these funds outside of NATO were proposed to use this amount in Latin America.

Senator AIKEN. No. We could cut it but not increase it.

The CHAIRMAN. I do not understand what we did in the motion the other day, which is to say that you must use $65 million. We said not more than $65 million.

Senator MORSE. That is what I say.

The CHAIRMAN. But we did not say you must use $65 million.

Senator MORSE. I want to know at the present time.

The CHAIRMAN. That was not——

Senator MORSE. Now that your amendment has been adopted can they still use more than $65 million?

The CHAIRMAN. They could not if they had not adopted it.

Senator MORSE. It is a non-NATO country.

Senator AIKEN. It is my understanding you could still not use more than $65 million in Latin America, but he could reduce it.

The CHAIRMAN. He could reduce it and could have reduced it anyway.

Senator AIKEN. That is correct.

Senator HICKENLOOPER. I do not see that this changes the situation one bit.

The CHAIRMAN. I do not see it at all. It puts pressure on the administration. It must save it somewhere.

Mr. MARCY. You applied this across the board, this 30 percent of non-NATO countries; it would, in effect, be used to reduce the $67 million by 30 percent; that would be——

The CHAIRMAN. $65 million.

Mr. MARCY. $65 million, I beg your parden, yes.

The CHAIRMAN. I do not understand the general sentiment was so strong that it must be kept at $65 million. I think some people including the Senator from Idaho and the Senator from Tennessee, said they wanted to cut the military lower by the same thing.

The committee did not by its own action wish to do that.

Senator MORSE. I wanted it to go to $50 million.

MILITARY SUPPORT TO NON-NATO COUNTRIES

Senator CHURCH. Mr. Chairman, I would like to move, consistent with the action that the committee by majority vote has just taken, which, in effect, reduces by 30 percent the military assistance to non-NATO countries, that we make an approriate and proportionate decrease in the defense support since nearly all of this defense support goes to countries outside of NATO.

The defense support is needed only in economies that are incapable of supporting large military establishments; nearly all of it goes into—aside from Turkey——

Senator AIKEN. May I correct you before you go any further? Greece and Turkey get a very big chunk of defense support, NATO support.

Senator CHURCH. Aside from Greece and Turkey, the countries that are getting the major share of economic support or defense support are in the Middle East and the Far East, and outside NATO.

You are correct in pointing up that Greece and Turkey are the two countries inside NATO that do get substantinal economic support. But the great bulk of economic support goes to the Middle Eastern countries, and to the Far Eastern countries under the allocations made under the bill.

Therefore, if we are going to reduce the amount of military assistance to these non-NATO countries by 30 percent, it follows that we should make a proportionate cut in the amount of defense support, to be consistent with the action we have taken.

If we were to effect a 30 percent reduction in the amount of defense support it would be $210 million——

Senator LAUSCHE. $255 million.

Senator CHURCH. The administration calls for $700 million.

Senator MANSFIELD. $835 million.

Senator CHURCH. Excuse me; I am mistaken. I am looking at the wrong figure. It calls for $835 million.

If we were to make a 30 percent cut in that, what would that come to?

Senator LAUSCHE. $250 million.

Senator CHURCH. $250 million, making allowance for economic or defense support given to Turkey and Greece. I would propose that we cut the defense support not by $250 million but by $200 million, which would be almost enough in terms of the action that the committee has just taken in reducing military assistance to non-NATO countries by 30 percent.

The CHAIRMAN. If you have it figured there, is the defense support distributed roughly in the same relative amount between NATO and non-NATO as the military assistance? In other words, someone mentioned Turkey and Greece's having a large amount.

Senator AIKEN. I understand it is about——

Mr. HOLT. Greece and Turkey between them are down for $125 million in defense support out of a total of $835 million.

Senator MANSFIELD. Mr. Chairman, I offer a substitute.

The CHAIRMAN. You are offering a motion to cut it to $200 million?

Senator CHURCH. I was offering a motion to cut defense support by $200 million, which seems to me to be well-balanced against the action that the committee has just taken on this basis.

Senator GREEN. How would you direct it as to the distribution? You said you would make an exception in Greece and Turkey.

Senator CHURCH. Rather than cut it to $250 million I propose to cut it $200 million so there will be plenty available for non-NATO countries and Greece and Turkey as well.

The CHAIRMAN. The Senator from Montana is recognized.

NO STRINGS ATTACHED

Senator MANSFIELD. Mr. Chairman, this item of defense support is all grant aid. I move to amend the motion offered by the Senator from Idaho to substitute for the sum to be reduced from $835 million, $335 million, with no strings attached so that the administration would be free to use this grant assistance, this defense support, as it sees fit.

Senator KENNEDY. Reduce it to what?

Senator MANSFIELD. Reduce it by $335 million, and even if that amendment carried it would be only $35 million below the sum total asked for originally by the administration.

The CHAIRMAN. I did not understand that last one.

Senator MANSFIELD. Even if this amendment were to carry, which I doubt, it would still be $35 million below the original budget request of the administration for the entire bill. That includes our $1 billion a year for the Development Loan Fund.

Senator HICKENLOOPER. I do not know how that kind of comparison would work there. It is not a question of the total of the entire bill we are working with here. It is a question of the amount of the individual items.

Senator MANSFIELD. That is right.

Senator HICKENLOOPER. And if by reducing defense support to $500 million, which is $250 million below the House committee bill, we did violence to the defense support, the grand total of the bill would make no difference one way or the other.

I do not follow that.

Senator MANSFIELD. All I am saying is that, in effect, the administration has asked for $3.931 billion. That was the total request. On the basis of the Development Loan Fund, which I support fully, we have increased it by $300 million in authorization for the next fiscal year, and we evidently have agreed to a $1.6 billion figure for military assistance.

If this amendment were agreed to, and there were not other changes made in the bill as it would stand at that time, we would be reducing the President's total request by $35 million.

The CHAIRMAN. I think that is not an accurate way to reflect the significance of the Development Loan Fund.

Senator MANSFIELD. No, I did not say that.

The CHAIRMAN. No one believes you are going to use the $1 billion. The President himself says we need $700 million. He certainly won't borrow any more than that.

The purpose of the 5-year $1 billion is to give continuity for a 5-year program, the principle which this committee, to some extent, adopted 2 years ago.

I do not think, and no one in the administration thinks, you will use the whole $1 billion.

As a matter of fact, as far as the impact upon the budget is concerned, the $700 million will not be appropriated. The $1 billion will be there as an authority.

When I asked them what did they think they really could commit in one year, when they asked for this, one of them estimated it would be way down in the neighborhood of $300 million or $400 million, but it accumulates, and will be there as they build up the program. This is not increasing the amount appropriated this year.

It decreases that amount by $600 million.

Senator MANSFIELD. This is the authorization.

THE PURPOSE IS CONTINUITY

The CHAIRMAN. But the purpose is to give continuity so that you can plan a 5-year program.

Senator MANSFIELD. That is right.

The CHAIRMAN. Next year they will not spend more money.

Senator MANSFIELD. But, Mr. Chairman, you will recall on the basis of testimony presented by Mr. McIntosh and others that they have exhausted what funds they had in the Development Loan Fund; that they had many applications on hand, that they could give no consideration to those applications because they have no funds.

The CHAIRMAN. That is right.

Senator MANSFIELD. I would think, therefore, on that basis they could very well use the $1 billion in the next fiscal year.

The CHAIRMAN. Well, they do not think so because it takes longer than that. They cannot proceed at all. These are merely applications. They are not plans that have developed to the point of approving.

As it does here at home, they have been planning the Arkansas River development since 1946 when it was first authorized; it is nowhere near finished, and I would think a program like Aswan is a 10-year program. It won't begin to pay out the $1 billion in the next fiscal year, but they cannot even proceed with the plans until you get the authority.

Senator Lausche. How could they use the full $700 million and now say that if it is $1 billion they will be able to use only $300 million or $400 million?

The Chairman. In a year. The money, the $700 million is authorized and appropriated to be available until spent.

I do not think they would say it here. I think I asked them in the testimony somewhere how much of it would they actually spend. It would not be the full $700 million, but that is what they want for an authority. That is an appropriation.

Senator Lausche. Are we on the Church amendment?

The Chairman. Senator Mansfield has offered a substitute to make it an even $500 million, cutting $335 million.

Senator Mansfield. Yes.

The Chairman. Are you ready for the question?

Senator Lausche. Does this cut defense support $335 million?

Senator Mansfield. Yes.

Senator Lausche. Does it condition how the cuts shall be made at all?

Senator Mansfield. It is up to the administration.

DEFENSE SUPPORT CUT DEFEATED

The Chairman. Call the roll.

Mr. Holt. Mr. Green?

Senator Green. Aye.

Mr. Holt. Mr. Sparkman?

The Chairman. No.

Senator Mansfield. Does the committee understand what the amendment is?

The Chairman. He wants to cut defense support $335 million.

Senator Green. I understand.

The Chairman. Senator Sparkman votes no.

Mr. Holt. Mr. Humphrey?

[No response.]

Mr. Holt. Mr. Mansfield?

The Chairman. Mr. Humphrey would vote no.

Mr. Holt. Mr. Mansfield?

Senator Mansfield. Aye.

Mr. Holt. Mr. Morse?

Senator Morse. Aye.

Mr. Holt. Mr. Long?

[No response.]

Mr. Holt. Mr. Kennedy?

Senator Kennedy. No.

Mr. Holt. Mr. Gore?

The Chairman. No.

Mr. Holt. Mr. Lausche?

Senator Lausche. No.

Mr. Holt. Mr. Church?

Senator Church. No.

Mr. Holt. Mr. Wiley?

Senator Wiley. No.

Mr. Holt. Mr. Hickenlooper?

Senator Hickenlooper. No.

Mr. Holt. Mr. Langer?
Senator Langer. Aye.
Mr. Holt. Mr. Aiken?
Senator Aiken. No.
Mr. Holt. Mr. Capehart?
Senator Capehart. No.
Mr. Holt. Mr. Carlson?
Senator Carlson. No.
Mr. Holt. Mr. Chairman?
The Chairman. No.

The vote on that was 4 yeas and 12 noes, and the motion is lost. The substitute to the motion is lost.

A PROPORTIONATE REDUCTION IN DEFENSE SUPPORTS

Senator Church. Mr. Chairman, I would now like to press for my amendment. I think it is a very moderate one.

I have been studying the figures with regard to defense support, and I call the committee's attention to the fact that in the European area the only country that is authorized to receive defense support for the coming year is Spain. No NATO country in the European area is to receive defense support in the breakdown chart which the administration has offered for its program.

Greece and Turkey will receive a total of $125 million in defense support.

Now, in the other areas for the breakdown given to the program the administration plans $242 million in defense support in these Middle Eastern countries.

We have effected a 30 percent reduction in military assistance, and therefore it follows that an appropriate reduction should be made in defense support, because that is made necessary only by the size of the military assistance program.

In the Far East the administration has a $553 million defense support, which is almost a dollar-for-dollar matching of the military assistance.

We have effected a 30 percent reduction in the military assistance program.

Therefore, it follows that we should, by using the administration's own formula, effect a proportionate reduction in defense support.

I think that if my $200 million proposal errs, it errs on the side of being too small.

Senator Green. Why do you want to err?

Senator Church. I am trying to give the administration the benefit of the doubt and to make proper allowance for Greece and Turkey that do, in fact, form part of the NATO Alliance, even though they are not listed among the European countries in the breakdown.

So giving them the benefit of that doubt, and effecting a cut commensurate with the cut we have taken in the military non-NATO in the world, I think we ought to reduce it $200 million.

Senator Aiken. There is no necessary correlation in military defense and defense support. Defense support is clothing, armors, roads——

Senator Morse. Soldiers' pay.

Senator Aiken. Yes, for the pay of the soldiers of the other country, not of ours.

Senator Morse. In Pakistan.

Senator AIKEN. It is not necessarily a correlation between defense support and military assistance.

Senator CHURCH. Well, there is this very definite connection between the two programs. Defense support is made necessary only by virtue of the size of the military assistance being given to the countries, the economies of which require the additional money to maintain the military establishment.

Senator AIKEN. Military assistance, we give them guns. In defense support we give them shoes; that is about the difference.

NEUTRALIZING THE GAINS

Senator LAUSCHE. Mr. Chairman, I can well see that giving the NATO nations $223 million more than was recommended by the administration will serve notice upon Russia that we are becoming firmer in the NATO countries.

But I cannot help but feel when we tell the Far East and the Middle East and other places that we have taken $223 million from them in military assistance, and we now will take an additional $200 million from them in defense support if the Church amendment is carried, that we are contemplating pulling out of those other areas.

My belief is that the gains that we may make in the NATO countries will be more than neutralized by the losses which we will suffer by this announcement that we are reducing by $223 million military aid and by $200 million the defense aid.

I think we are making a serious mistake in doing so, and I also feel that you cannot disregard the experience and the advice of the men who are chosen because of their expertise to fill positions in Government.

You have the members of the State Department, you have the members of the military. They have given a lifetime to that service, and to brush aside their opinion and in this hit and miss way is practically deciding the matter by lot.

Senator WILEY. In other words, you are in favor of the bill as it is written?

Senator LAUSCHE. I am in favor of the bill as it is.

The CHAIRMAN. Is there any other discussion?

Senator MORSE. I want to comment that to break down this waste of bureaucracy, when you take the position that their advice must be accepted unquestionably, it is about time we got them in there and they gave us proper advice.

Senator LAUSCHE. I have listened to their testimony, and I have not seen by cross-examination or breaking down the opinions which they have expressed that they have been wrong.

Senator MORSE. You have not been able to get even a sample of the evidence you ought to have because they will not give it to you.

ASKING FOR CONSISTENCY

Senator CHURCH. I only ask the committee to be consistent with the action the committee has already taken.

The only reason we have for military defense support is the military assistance; that is the rationale and the reason for it.

If we can effect a 30 percent cut in military assistance in these areas it does not stand to reason that the administration is going to need all the money it asks for in all these areas.

We are not giving military assistance in Europe aside from Turkey and Greece in any consequence. We are going to enlarge the program there and cut it back 30 percent elsewhere, and yet we are going to give them all the money they ask for in support of a much larger program in the Middle and Far East. I do not think it follows. Consistently it now follows we should make a proportionate cut in defense support in areas we are going to effect a 30 percent cut in military assistance.

Senator AIKEN. Mr. Chairman, may I offer three or four figures to rebut any contention that there is no necessary correlation between defense support and military assistance by using four examples.

We give Burma $20 million in military aid, but nothing at all in defense support.

We give Cambodia $5 million in military aid and $22 million in defense support.

We give Vietnam $30 million in military assistance, but $185 million in defense support. That is equipping them and paying their own forces.

The CHAIRMAN. It is economic.

Senator AIKEN. In Korea there is $210 in military aid and $215 million in defense support. That is a country where it is nearly equal.

Senator LAUSCHE. Mr. Chairman, if I want to ingratiate myself with my voters in Ohio, more than I have supporting me, the thing for me to do is vote for this amendment. But I just cannot do it.

The CHAIRMAN. Any further comment?

Senator MORSE. Mr. Chairman, I want to say that I am interested in these votes from the standpoint of balancing the budget.

CHURCH MOTION DEFEATED

The CHAIRMAN. The clerk will call the roll.

Mr. HOLT. Mr. Green?

Senator GREEN. No.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. No.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. No.

Mr. HOLT. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. HOLT. Mr. Morse?

Senator MORSE. Aye.

Mr. HOLT. Mr. Long?

[No response.]

Mr. HOLT. Mr. Kennedy?

Senator KENNEDY. No.

Mr. HOLT. Mr. Gore?

[No response.]

Mr. HOLT. Mr. Lausche?

Senator LAUSCHE. No.

Mr. HOLT. Mr. Church?

Senator CHURCH. Aye.

Mr. HOLT. Mr. Wiley?

Senator WILEY. No.

Mr. HOLT. Mr. Hickenlooper?

Senator HICKENLOOPER. No.

Mr. HOLT. Mr. Langer?

Senator LANGER. Aye.
Mr. HOLT. Mr. Aiken?
Senator AIKEN. No.
Mr. HOLT. Mr. Capehart?
Senator CAPEHART. Aye.
Mr. HOLT. Mr. Carlson?
Senator CARLSON. No.
Mr. HOLT. Mr. Chairman.
The CHAIRMAN. No.

Senator CAPEHART. Mr. Chairman, isn't Senator Sparkman a member of this committee?

The CHAIRMAN. Yes, I voted in. He called in. He gave me his proxy. He has to be out of town.

Senator CAPEHART. Yes.

The CHAIRMAN. The vote is 4 yeas and 11 nays, and the motion is rejected.

Do I hear any further motions?

Senator MORSE. Mr. Chairman, turning to page 1, we have taken action on military assistance, on defense support, and on the Development Loan Fund.

Are the other items there now before us?

The CHAIRMAN. Yes.

TEN PERCENT REDUCTION IN TECHNICAL COOPERATION

Senator MORSE. Mr. Chairman, I am covering the entire technical cooperation, and I move a reduction of 10 percent.

The CHAIRMAN. That would be $17.950 million. Is that right? Do you wish a roll call vote?

Is there any discussion? The clerk will call the roll.

Mr. HOLT. Mr. Green?
Senator GREEN. No.
Mr. HOLT. Mr. Sparkman?
The CHAIRMAN. No.
Mr. HOLT. Mr. Humphrey?
The CHAIRMAN. No.
Mr. HOLT. Mr. Mansfield?
Senator MANSFIELD. No.
Mr. HOLT. Mr. Morse?
Senator MORSE. Aye.
Mr. HOLT. Mr. Long?
[No response.]
Mr. HOLT. Mr. Kennedy?
Senator KENNEDY. No.
Mr. HOLT. Mr. Gore?
[No response.]
Mr. HOLT. Mr. Lausche?
Senator LAUSCHE. No.
Mr. HOLT. Mr. Church?
Senator CHURCH. No.
Mr. HOLT. Mr. Wiley?
Senator WILEY. No.
Mr. HOLT. Mr. Hickenlooper?
Senator HICKENLOOPER. No.

Mr. **Holt**. Mr. Langer?

Senator **Langer**. Aye.

Mr. **Holt**. Mr. Aiken?

Senator **Aiken**. No.

Mr. **Holt**. Mr. Capehart?

Senator **Capehart**. Aye.

Mr. **Holt**. Mr. Carlson?

Senator **Carlson**. No.

Mr. **Holt**. Mr. Chairman?

The **Chairman**. No; and I forgot to vote Mr. Gore? "no."

The vote is yeas 3 and nays 13. The motion is lost.

A COMMENSURATE EFFORT FROM NATO

Senator **Kennedy**. Mr. Chairman, I just wanted to say that I am hopeful in the report, the section dealing with the transfer of funds to NATO, that some language is used which will—I voted for that because of what is suppose to happen in Berlin in the next 12 months—and I would like to see the other NATO countries if not making a commensurate effort, making a genuine effort.

As you know, the French are going in the other direction, and I do not want to make the State Department's problem more difficult, but I think we ought to state as our view that NATO needs strengthening militarily, and that not only do we hope our effort is an indication of our interest but we would like to see a general effort.

The **Chairman**. I think that such a statement would be very appropriate.

Did you hear that?

Mr. **Marcy**. I am sorry, sir.

Mr. **Holt**. I got it.

The **Chairman**. Did you get it, Pat?

Mr. **Holt**. Yes.

The **Chairman**. I think a statement to the effect that we expect reciprocal action on the part of the NATO partners for the strengthening of the NATO military is appropriate.

Senator **Church**. Mr. Chairman, I would like to make one other motion with respect to defense support. Having reduced the military program 30 percent outside NATO, I move we reduce defense support 10 percent, or $83,500,000, which would be below the amount of the reduction that has been effected by the House committee.

Senator **Morse**. Second.

Senator **Church**. I move the question.

The **Chairman**. This is defense support. Any discussion? Do you want a roll call? The clerk will call the roll.

Mr. **Holt**. Mr. Green?

Senator **Green**. No.

Mr. **Holt**. Mr. Sparkman?

The **Chairman**. No.

Mr. **Holt**. Mr. Humphrey?

The **Chairman**. No.

Mr. **Holt**. Mr. Mansfield?

Senator **Mansfield**. Aye.

Mr. **Holt**. Mr. Morse?

Senator **Morse**. Aye.

Mr. **Holt**. Mr. Long?

[No response.]
Mr. Holt. Mr. Kennedy?
Senator Kennedy. No.
Mr. Holt. Mr. Gore?
The Chairman. No.
Mr. Holt. Mr. Lausche?
Senator Lausche. No.
Mr. Holt. Mr. Church?
Senator Church. Aye.
Mr. Holt. Mr. Wiley?
Senator Wiley. No.
Mr. Holt. Mr. Hickenlooper?
Senator Hickenlooper. No.
Mr. Holt. Mr. Langer?
Senator Langer. Aye.
Mr. Holt. Mr. Aiken?
Senator Aiken. No.
Mr. Holt. Mr. Capehart?
Senator Capehart. Aye.
Mr. Holt. Mr. Carlson?
Senator Carlson. No.
Mr. Holt. Mr. Chairman?
The Chairman. No.
The vote is 5 yeas and 11 nays.

SPECIAL ASSISTANCE AT PRESIDENTIAL DISCRETION

Senator Morse. Mr. Chairman, I move that special assistance item of section 400(a) be reduced by 10 percent.

The Chairman. Which one is that? I see; title IV, section 400(a).

Senator Morse. The special assistance program in the amount of $271,800,000. That is the money you turned over to the President for special assistance to use largely at his discretion, is it not?

The Chairman. What would be the effect? I do not remember on that item. What are the main items in that special assistance that he spent it for last year?

Senator Hickenlooper. It is listed here.

Mr. Marcy. This is a separate item. This is the same thing as defense support, except it goes to the countries which are not receiving military assistance. This is grant aid to—what are your countries there?

Mr. Holt. This is partially grant, partially loan, partially bilateral, partially multilateral programs.

The biggest single item is $50 million for Jordan. There is $45 million for Morocco, $35 million for malaria eradication, $25 million for Tunisia, $25 million for Bolivia, and it goes on. That includes the Berlin program, Yugoslavia, Libya, Somalia, Ethiopia, Nepal, Sudan, Burma, Indonesia, malaria eradication, community water supply development, and miscellaneous.

Senator Lausche. Is Poland in that?

Mr. Holt. No, sir.

Senator Kennedy. A year ago Poland was in there, was it not before that?

Mr. Holt. Two years ago Poland was in it, sir.

Senator Lausche. Does Poland come under a different program?

Senator KENNEDY. What about that new loan they just made? Where does that come out of?

Mr. MARCY. That is partly out of the Export-Import Bank.

Senator KENNEDY. I did not believe they were allowed to use Export in Poland.

Mr. MARCY. We had a statement from them that they are using the President's waiver power for that.

Senator CAPEHART. It comes out of the President's fund.

Senator KENNEDY. I would like to see if we can get a little information on that.

Senator LAUSCHE. On Yugoslavia and Poland what are they getting?

Mr. HOLT. There is no program for Poland in this bill. The Yugoslav special assistance is $10,500,000. There is a small technical assistance program in addition.

Senator KENNEDY. Is the figure on which the Senator from Oregon's amendment based the figure which the President requested and was cut in the House?

The CHAIRMAN. They cut the administration authorization request, but not the appropriation request. I do not understand the difference in that. Why is there a difference?

Mr. DENNEY. The difference is that some items have a permanent authorization and you do not need to count them in the authorization at all.

Senator MORSE. I am asking for a 10 percent cut of the $271,800,000.

The CHAIRMAN. Why is the appropriation request less than the authorization?

Mr. HOLT. I think that is a mistake.

The CHAIRMAN. I never noticed that.

Senator HICKENLOOPER. There could be a reason for it. I suppose they feel they won't come back for another appropriation later.

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

Senator MANSFIELD. Evidently because it is the State Department administrative expenses and the Intergovernmental Committee for European Migration.

I would like to know something about the Intergovernmental Committee for European Migration which, I understand, is under the control of Mr. Haynes now, and used to be under the control of Mr. Roderic O'Connor. It is an organization headed by a man who was supposed to have the simulated rank of at least an Assistant Secretary of State, but who never came before this committee for confirmation. He makes appointments of these individuals. There is no check.

They have a continuing open-ended authority, and I think this committee ought to have something to say about both of these items because they are the only ones picked out for which money is requested but for which very little in the way of information is given to us.

Is the one with headquarters at Geneva?

Mr. HOLT. It is headquartered in Europe, Senator. I am not sure where they are.

Senator MORSE. There is an example, Mr. Chairman, of giving the administration a blank check and then taking the position that if it asks for it we should not question their competency to carry out the program. We do not know anything about the program.

Senator MANSFIELD. I would like to have some information on this program.

Senator MORSE. I am at a loss to understand that.

Senator LAUSCHE. Which one are you referring to?

Senator MANSFIELD. The Intergovernmental Committee for European Migration, section 405(a).

Senator CAPEHART. The House did not give them anything.

Senator MANSFIELD. They gave them the whole sum. It is just a continuing request, and nothing is said before the committees. They go before the Appropriations Committee each year and it gives them money. What about it, George? Do you know anything about it?

Mr. DENNEY. I believe the history about that was for some years there was a year-to-year authorizaiton, and at some point—I forget exactly when—the committee agreed to give them a permanent authorization for such amount as might be necessary from time to time. This is also true of the State Department administrative money that we used to have a ceiling on that amount, but the committee discussed this the other day and agreed to let it be an open-ended authorization. It is a small amount.

Senator MORSE. It is small. But——

Senator AIKEN. Is it a fact that the reason they did not put any money in for this purpose would indicate that there is sufficient funds for it in the pipeline?

Mr. DENNEY. No. It just means it is a permanent authorized program and it will be discussed in connection with the appropriations bill.

Senator MANSFIELD. Also before the Appropriations Committee. It never comes before this committee.

Mr. MARCY. This committee could take it away.

Mr. DENNEY. This committee could take away the permanent authorization and give it a year-by-year authorization.

DELEGATING LEGISLATIVE FUNCTIONS

Senator MORSE. Mr. Chairman, this is the time to raise it, to ask for the preparation of some information by the staff, which I am going to do. I am very much concerned about how this administration, and the one before it, have gotten us to delegate our legislative function in the Senate by such examples as these, where they get over on the blind side, to use a figure of speech, and get a delegation for permanent continuing funds. In our busy days we forget about that; we forget that we gave that delegation, and they go on then, acting down there with the exercise of very arbitrary executive power.

I would like to have, Mr. Chairman, an assignment given to the staff to prepare for us a memorandum of all such examples as this where we have given to them this power, such as cited here by the Senator from Montana. We do not even get the officials for this particular program before us for examination and report. I am very much concerned about this problem, and I think this is honeycombed everywhere in this whole bill. We are turning over more and more of our legislative process to the U.S. State Department and the White House, and I would like to have Mr. Marcy find out for me, for my use, at least, the instances in which we have given this blanket authority to the executive branch.

Senator **Mansfield**. May I say, Mr. Chairman, that this same thing covered the Development Loan Fund, which I thoroughly approved of because we are asking them for an open-ended authorization so that if the Fulbright amendment carries in conference and is approved by the Congress they will have that same kind of authority, of which I approve in that respect. But I did not know about this one until just now, and it is my own fault. But I see here that the State Department, in effect, in addition to its regular budget request, is allowed $8.3 million for administrative expense; isn't that correct? I am not against it. It may be a good thing, but I think we ought to know something more about it.

Senator **Green**. Where did you find that figure?

Senator **Mansfield**. That is under section 411, subsection (c).

The **Chairman**. Now let me see; I think the pending business is a motion by the Senator from Oregon to cut section 400(a), special assistance.

Senator **Morse**. The Title IV, special assistance, $271,800,000 by 10 percent.

Senator **Hickenlooper**. Is the total of Title IV $383 million?

The **Chairman**. You are talking about section 400(a), I thought.

Senator **Morse**. I am talking about $271,800,000.

Senator **Lausche**. Section 400(a).

Senator **Mansfield**. May I make a correction so far as your amendment is concerned? It is not open-ended because it is specifically stated for $1 billion for 5 years, so it is quite different.

Senator **Morse**. Mr. Chairman, may I have a ruling from the Chair as to whether I can call Mr. Marcy about having a memorandum?

The **Chairman**. Certainly. I thought it was understood.

Mr. **Marcy**. I would just like to ask one question on that point. I take it you do not want to include the kind of things which are included in what is known as the point of order bill in which over a period of years they have authorized the Department of State, say, to purchase automobiles or to provide for travel or expenses of that kind: This is in the general State Department's authority, and every year we do not pass on that.

Senator **Morse**. I am talking about the delegation of authority where we give them continuing authorization and never get a review of it, and there is never a check on it. I want to know how many of those items there are.

The **Chairman**. Let me say to the Senator that he certainly may have whatever he wants. All he has to do is outline that. I hope he will do it a little later so we can get on with this. But he certainly gets to raise a question as to the research by the staff.

Mr. **Marcy**. I want to understand it.

Senator **Morse**. Thank you, Mr. Chairman.

PASSAGE OF THE MORSE AMENDMENT

My motion is for a 10 percent cut of $271,800,000.

The **Chairman**. Do you wish a record vote?

I am tempted on this one. If we are going to have a cut I am tempted to go along on this one. The House cut it $21.8 million. Yours would be $27.1 million; is that right?

Senator CAPEHART. I am for it, too.

Senator HICKENLOOPER. We could cut it to the House figure, I think.

The CHAIRMAN. Would you accept the cut to the House figure?

Senator MORSE. No, I will not accept it.

The CHAIRMAN. What I am a little puzzled about is why they permitted the appropriations at $250 million, and the authorization at $271 million. You say there are some of these continuing things? Usually they want the money, I would think.

Senator MANSFIELD. But you see them under Intergovernmental Committee for European Migration, and State Department administrative expenses. I think that is the difference.

Mr. HOLT. No, those are separate items.

The CHAIRMAN. All right, we will vote. It is 10 percent of $271 million that he is asking for.

Mr. MARCY. Just to clear that one point up, that apparently is a misprint for which we are sorry. I go back to an earlier executive branch document and it should read $271,800,000 in both the authorization column and the appropriation column.

Senator LAUSCHE. All right.

Senator GREEN. Then you do not need the vote.

The CHAIRMAN. Yes, we need the vote, but it was just corrected. Call the roll.

Mr. HOLT. Mr. Green?

Senator GREEN. Aye.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. No.

Mr. HOLT. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. HOLT. Mr. Morse?

Senator MORSE. Aye.

Mr. HOLT. Mr. Long?

[No response.]

Mr. HOLT. Mr. Kennedy?

Senator KENNEDY. Aye.

Mr. HOLT. Mr. Gore?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Lausche?

Senator LAUSCHE. Aye.

Mr. HOLT. Mr. Church?

Senator CHURCH. Aye.

Mr. HOLT. Mr. Wiley?

Senator WILEY. Aye.

Mr. HOLT. Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Langer?

Senator AIKEN. Aye.

Mr. HOLT. Mr. Aiken?

Senator AIKEN. Aye.

Mr. HOLT. Mr. Capehart?

Senator CAPEHART. Aye.

Mr. HOLT. Mr. Carlson?

Senator CARLSON. Aye.

Mr. HOLT. Mr. Chairman?

The CHAIRMAN. Aye.

Senator Humphrey said all he wanted to cut was——

Senator CAPEHART. I make a motion to give Senator Humphrey a chance to vote.

Mr. MARCY. He said to keep every item the same except the military.

The CHAIRMAN. I think we had better take a chance on voting him aye in view of everything.

In this case the vote was 16 to nothing; the motion is carried.

CUT IN CONTINGENCY FUND

Senator MORSE. Mr. Chairman, for my final motion, I move that the contingency fund be cut 10 percent.

The CHAIRMAN. That is chapter 3. You have heard the motion. Are you ready for the vote, the contingency fund? The House cut it $100 million.

Senator CHURCH. Mr. Chairman, may I ask a question on that? How much of this contingency fund has been used by the President in the past? In this past year, how much has he used of the amount that was authorized and appropriated? A guideline is needed, I should think. That, I believe, is a pertinent inquiry.

Mr. MARCY. We can get that for you.

Senator CARLSON. I think we ought to vote soon, before the Senator from Oregon changes his mind.

The CHAIRMAN. All in favor of the Senator's motion say aye.

[There was a chorus of ayes.]

Senator MORSE. The House has cut it 50 percent, have they not?

The CHAIRMAN. That is right, and you only cut it 10 percent.

Senator MORSE. I will modify my motion to cut that by 60 percent.

Senator WILEY. What was that vote on, Mr. Chairman?

Senator MANSFIELD. Mr. Chairman I ask the vote be reconsidered. [Laughter.]

Senator CHURCH. Mr. Chairman, before we take action on this, according to my figures prior to this vote we have now approved the bill that is over half a billion dollars larger than the bill approved by the House, $560,800,000 larger than the House bill, and nearly $300 million larger than the President's request.

Senator LAUSCHE. How do you reach that figure?

Senator CHURCH. I will show you my figures.

The CHAIRMAN. I recognize the Senator from Oregon now to restate his motion.

Senator MORSE. I move that chapter 3, the contingency fund, be cut by 60 percent.

The CHAIRMAN. Which would mean an amount of $120 million.

Senator HICKENLOOPER. You might as well take it out.

Senator MANSFIELD. Yes.

The CHAIRMAN. Call the roll.

Mr. HOLT. Mr. Green?

Senator GREEN. No.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. No.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. No.

Mr. HOLT. Mr. Mansfield?
Senator MANSFIELD. Aye.
Mr. HOLT. Mr. Morse?
Senator MORSE. Aye.
Mr. HOLT. Mr. Long?
[No response.]
Mr. HOLT. Mr. Kennedy?
Senator KENNEDY. No.
Mr. HOLT. Mr. Gore?
The CHAIRMAN. No.
Mr. HOLT. Mr. Lausche?
Senator LAUSCHE. No.
Mr. HOLT. Mr. Church?
Senator CHURCH. Aye.
Mr. HOLT. Mr. Wiley?
Senator WILEY. No.
Mr. HOLT. Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. HOLT. Mr. Langer?
Senator LANGER. Aye.
Mr. HOLT. Mr. Aiken?
Senator AIKEN. No.
Mr. HOLT. Mr. Capehart?
Senator HICKENLOOPER. I have his proxy. We will vote him no.
Mr. HOLT. Mr. Carlson?
Senator CARLSON. No.
Mr. HOLT. Mr. Chairman?
The CHAIRMAN. No.
On this vote the yeas are 4 and the nays are 12.
Would the Senator like to make his original motion?
Senator MORSE. No.
The CHAIRMAN. Any further motions?

SURPLUS AGRICULTURAL COMMODITIES

Senator MANSFIELD. Mr. Chairman, I would like to ask George Aiken something. I was wondering if there was not some way that we could use some of our surplus agricultural commodities and a few of our dollars in this program in addition to the Public Law 480 program.

Senator AIKEN. We already require them to use $175 million in lieu of dollars in making purchases in foreign countries.

Unfortunately, the countries in which they want to make the purchases are not the ones to which we send the surplus commodities.

I think last year they used about $108 million. They think they can use about the same.

Now, on the proposal on education that Albert Gore made and the one that was proposed by the Chairman, I think there is a much better opportunity to use surplus commodities, because they go to the underdeveloped undernourished countries where the need is greatest. If Senator Gore offers his bill, when we get to the hearings I think that is worth considering. But, you see, most of the purchases are made in foreign countries—I guess Western Europe as a whole—and they do not use enough.

We do not sell enough.

Senator **Mansfield**. In your opinion, George, is there no way you could think of—after all, you are our expert in agriculture—that we might use more?

Senator **Aiken**. I think $175 million is about all we can use through these particular channels.

We could devise some good ways of using it through other channels, I think.

USE OF THE CONTINGENCY FUND

Senator **Kennedy**. Mr. Chairman, I think this committee did vote on the Senator's original amendment, and I thought he would offer it; otherwise, I would offer it—10 percent.

The **Chairman**. I recognize the Senator if he wishes to offer it.

Senator **Kennedy**. I offer that motion.

The **Chairman**. The Senator from Massachusetts makes a motion to cut the contingency fund by 10 percent.

Senator **Church**. I think we ought to have the figures on what the President has used.

Mr. **Holt**. We have it now. For fiscal year 1959, $155 million was provided for this purpose. As of February of this year $106.8 million has been programed, leaving a balance in the fund of $48 million. What has happened since February, I do not know.

The **Chairman**. Tell me what the purpose was. What did they use the money for? He wants to know that.

Mr. **Holt**. They used $32.2 million in Turkey in connection with the arrangement between Turkey and members of the OEEC to carry out stabilization programs there.

They used $5 million in Greece.

They used $5 million addition in Morocco above what had been programed for Morocco.

They used $5.8 million additional in Tunisia.

They were contemplating an unspecified amount additional in Afghanistan; $18.2 million additional in Jordan growing out of the crisis there last summer; $13.5 million additional in Sudan to meet the situation in cotton exports; $5 million for Baghdad Pact economic projects; $6 million for Bolivian stabilization.

There were a large number of relatively small sums in the $5,000 to $50,000 range for emergency relief; $50,000 in Nepal for a cholera epidemic; $3 million for aid to American schools abroad; $3.2 million for the exhibition in Moscow this summer.

They anticipated in February requirements for Haiti, Poland, Iceland, Taiwan, Burma, and the NATO science program; that is it.

Senator **Church**. Up to February, then, approximately two-thirds of the authorization or the appropriation had been used by the President.

Mr. **Holt**. About that.

Senator **Church**. And was this past year the first year that we had a contingency fund?

Mr. **Holt**. No, sir; there has been one annually.

Senator **Carlson**. Annually.

Senator **Hickenlooper**. Well, of course, the purpose of a contingency fund is that you do not necessarily know what you are going to use it for.

Senator **Church**. I understand that.

TEN PERCENT REDUCTION

Senator HICKENLOOPER. The contingency fund, in my view, has been used with considerable care, so that is one fund I think we can vote a slight excess over presently anticipated need because it is a contingency fund.

I can support the Senator's 10 percent cut on this thing. We are going to have a hassle with the House anyway and they cut it 50 percent, or $100 million. We have been using somewhere around $150 million, $165 million, $170 million in the contingency fund, and we probably would come out at the end of the conference with a reasonable amount unless some convulsion occurs that we do not particularly anticipate at the moment.

I would prefer to support the 10 percent reduction here as a reduction and then we may have a reduction on the floor; I do not know.

We certainly will have a reduction in conference. The House is not going to stay put on that.

The CHAIRMAN. The clerk will call the roll.

Mr. HOLT. Mr. Green?

Senator GREEN. Aye.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. Well--I will pass that.

Mr. HOLT. Mr. Mansfield?

Senator MANSFIELD. No.

Mr. HOLT. Mr. Morse?

Senator MORSE. No.

Mr. HOLT. Mr. Long?

[No response.]

Mr. HOLT. Mr. Kennedy?

Senator KENNEDY. Aye.

Mr. HOLT. Mr. Gore?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Lausche?

Senator LAUSCHE. Aye.

Mr. HOLT. Mr. Church?

Senator CHURCH. Aye.

Mr. HOLT. Mr. Wiley?

Senator WILEY. Aye.

Mr. HOLT. Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Langer?

Senator AIKEN. Aye.

Mr. HOLT. Mr. Aiken?

Senator AIKEN. Aye.

Mr. HOLT. Mr. Capehart?

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Carlson?

Senator CARLSON. Aye.

Mr. HOLT. Mr. Chairman?

The CHAIRMAN. Aye.

Senator MORSE. Mr. Chairman, I want the record to show I voted against it not because I do not think there should be a 10 percent cut, but it is so inadequate in amount that it tends to give the American people a false impression about our accomplishment.

The CHAIRMAN. The vote on this motion is yeas, 13, and nays, 2.

Any further motion? If not, do I hear a motion to report the bill?

Senator AIKEN. I so move.

VOTE TO REPORT MUTUAL SECURITY BILL

The CHAIRMAN. Senator Aiken moves to report the bill as amended.

Senator HICKENLOOPER. With all the necessary corrections.

The CHAIRMAN. The staff has already been instructed in that; we have already included that the staff had the right to make technical changes, notes to make the bill conform.

Are you ready for the question? The clerk will call the roll.

Mr. HOLT. Mr. Green?

Senator GREEN. Aye.

Mr. HOLT. Mr. Sparkman?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Humphrey?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Mansfield.

Senator MANSFIELD. Present.

Mr. HOLT. Mr. Morse?

Senator MORSE. No.

Mr. HOLT. Mr. Long?

[No response.]

Mr. HOLT. Mr. Kennedy?

Senator KENNEDY. Aye.

Mr. HOLT. Mr. Gore?

The CHAIRMAN. Aye.

Mr. HOLT. Mr. Lausche?

Senator LAUSCHE. Aye.

Mr. HOLT. Mr. Church?

Senator CHURCH. Pass.

Mr. HOLT. Mr. Wiley?

Senator WILEY. Aye.

Mr. HOLT. Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Langer?

Senator AIKEN. No.

Mr. HOLT. Mr. Aiken?

Senator AIKEN. Aye.

Mr. HOLT. Mr. Capehart?

Senator HICKENLOOPER. Aye.

Mr. HOLT. Mr. Carlson?

Senator CARLSON. Aye.

Mr. HOLT. Mr. Chairman?

The CHAIRMAN. Aye.

Senator CHURCH. Mr. Chairman, I would like to change my vote, if I may, before the vote is announced.

The CHAIRMAN. You may certainly do so.

Senator CHURCH. I will change my vote to aye with the record showing that I want to reserve the right to support such amendments to the bill on the floor of the Senate as may seem appropriate.

Senator WILEY. We all have that right.

Senator CHURCH. I just wanted you to know that I am not committed to the bill in its final form.

The CHAIRMAN. On this vote the ayes are 13 and the nays are 2.

A DISSENTING REPORT

Senator MORSE. Mr. Chairman, I request whatever the committee feels is a reasonable time to allow me for filing a dissenting report.

The CHAIRMAN. How much time does the Senator want?

Senator MORSE. It will be a lengthy report and I would like to have a week or 10 days.

I propose, Mr. Chairman, to go through the bill in an item-by-item and orderly way.

The CHAIRMAN. I think a week; that is next Monday.

Senator MORSE. I will accept a week.

The CHAIRMAN. We will not have it on the floor before then; that is all right.

Anything else?

Mr. MARCY. May I get committee guidance? Is it appropriate to file and print the minority views with the majority views? This will mean the total report then would not be available until a week from today.

Senator HICKENLOOPER. He would have to file it and then have it printed.

Mr. MARCY. The question I am raising is whether the committee desires to have the minority views and the majority views presented in the same document.

Senator LAUSCHE. It is normally in the same document. Are we talking about the report?

Mr. MARCY. Yes.

Senator HICKENLOOPER. How long will it take for the majority report?

Mr. MARCY. I think the majority report can be ready by tomorrow night.

Senator AIKEN. The majority could make their report, but withhold the printing for a few days until the minority report is ready.

Mr. MARCY. The only thing is whether the committee would be satisfied to print them together.

The CHAIRMAN. We would like to have them available, however.

Senator GREEN. I think it is much fairer to print them together.

The CHAIRMAN. I think it is normally so, but you normally do not have the delay. I do not mind their printing it together.

Senator MORSE. I do not know of any time when there has not been a delay when there has been a minority report.

The CHAIRMAN. That means then we could not proceed to have the majority report printed until Monday, either.

Mr. MARCY. That is right. If the committee authorizes us to print it separately——

Senator **Green**. It ought to be at the same time.

The **Chairman**. Whatever the committee wishes. It is understood you will have them ready by Monday, so it is ready to print; isn't that right?

Senator **Morse**. That is right.

The **Chairman**. Anything else?

Well, thank you very much.

At 10:30 tomorrow morning is the regular meeting for confirmation and so forth.

[Whereupon, at 6:50 p.m., the committee adjourned, to reconvene at 10:30 a.m., Tuesday, June 16, 1959.]

MINUTES

TUESDAY, JUNE 16, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee continued in executive session at 11:50 a.m. in room 4221, New Senate Office Building.

Present: Chairman Fulbright, Senators Green, Mansfield, Gore, Lausche, and Hickenlooper.

The nominations of Dempster McIntosh, to be Ambassador to Colombia, William M. Rountree, to be Ambassador to Pakistan, and John Howard Morrow, to be Ambassador to the Republic of Guinea, were ordered reported favorably.

S. 2065, To amend Public Law 85-880, and for other purposes (Century 21 Exposition) was passed over without objection.

The committee next considered S. 2135, To promote the foreign relations of the United States by providing for the establishment of a center for cultural and technical interchange between East and West in Hawaii.

The committee agreed to meet Wednesday, June 17, 1959, on this bill.

For record of the proceedings, see the official transcripts.

[Whereupon the committee adjourned at 12:25 p.m.]

MINUTES

WEDNESDAY, JUNE 17, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met at 11:15 a.m. in room F-53, Capitol, in executive session.

Present: Chairman Fulbright, Senators Green, Mansfield, Gore, Lausche, Hickenlooper, Capehart, Wiley, Aiken, Sparkman, and Church.

The Chairman stated that the order of business was S. 2135, to promote the foreign relations of the United States by providing for the establishment of a center for cultural and technical interchange between East and West in Hawaii.

He introduced the sponsor of the bill, Senator Lyndon Johnson of Texas, who testified in support of the measure.

The committee then discussed in general terms the amendment of the bill, after which it was agreed to seek a redraft, as well as agency opinion.

For record of the proceedings, see the official transcript.

[The committee adjourned at 1:55 p.m.]

MINUTES

FRIDAY, JUNE 19, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 4 p.m. in room F–63, Capitol.

Present: Chairman Morse, Senators Aiken and Fulbright.

Roy Rubottom, Assistant Secretary of State for Inter-American Affairs, discussed the situation in the Caribbean.

No transcript of the meeting was kept.

MINUTES

MONDAY, JUNE 22, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON EUROPEAN AFFAIRS OF THE
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The subcommittee met at 2:30 p.m. in room F–63, Capitol, in executive session.

Present: Senator Wiley (presiding), and Senator Carlson.

Deputy Assistant Secretary Foy D. Kohler, accompanied by others from the Department of State, talked on the Status of Forces in Germany.

No transcript of the meeting was kept.

BRIEFING ON FOREIGN MINISTERS' CONFERENCE AT GENEVA

[Editor's Note.—The Geneva foreign ministers' conference convened on May 11 (see editorial note and hearings for February 17). The United States, Great Britain, and France proposed a five-part package plan for settling the German question, which included retention of Western occupation rights in Berlin, a freeze on the number of Western troops in the city, control of subversion and propaganda in Berlin, guarantees on civilian and military movement between West Germany and West Berlin, and maintenance of these conditions until Germany could be reunified. Five days later Soviet Premier Khrushchev rejected the Western package plan but said that the Soviet Union would be willing to negotiate its individual provisions. The Soviet plan, by contrast, would have limited Western occupation rights in Berlin to one year, created an all-German commission to work out measures for reunification, and reduced the number of Western troops in West Berlin to "symbolic contingents."

The talks recessed for the funeral of John Foster Dulles on May 27, and then again on June 20. Secretary of State Herter then returned to the United States to meet with the President and the Foreign Relations Committee. On June 23 he also made a national radio and television address to announce that "no significant progress" had been made at Geneva. The talks resumed on June 13 but ended on August 5 without reaching an agreement. Herter, however, concluded that the Geneva meetings had at least "lessened the sharpness of the crisis."]

TUESDAY, JUNE 23, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to call, at 4:05 p.m., in the committee room, United States Capitol Building, Hon. Theodore Francis Green presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Morse, Gore, Lausche, Church, Hickenlooper, Langer, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Kenney, and Mr. Kuhl, of the committee staff.

Senator Green. The meeting will please come to order.

If there are any non-members here, we will request them to withdraw.

STATEMENT OF HON. CHRISTIAN A. HERTER, SECRETARY OF STATE

Secretary Herter. I was hoping that I could come and talk to you in confidence as I have before, because we still have negotiations before us.

Senator Green. We won't give out anything except with your approval.

Senator Mansfield. Mr. Chairman, I think before we get started we ought to come to an agreement, if possible, that a general statement will be issued by the chairman, subject to the approval of the Secretary of State.

Senator Green. That is substantially the same.

Secretary Herter. Yes.

Senator Green. If you will proceed in your own way.

Secretary Herter. Mr. Chairman, and members of the committee:

The last time I appeared here was just a few days before I left to go to the negotiations in Geneva. At that time I spoke of the fact that we had in the course of preparation to get final agreement with our Western Allies on a peace proposal covering a pretty wide range of not only the immediate Berlin situation, but a settlement of the Berlin situation and the German situation.

We worked very hard on that project, and we were able to introduce it in Geneva.

REJECTION OF BERLIN-GERMAN PEACE PROPOSAL

But before coming to a discussion of what happened to it, I can say it was very summarily rejected not only by Mr. Gromyko but by Mr. Khrushchev in a speech in which he said it was too complicated, and no one conference could possibly settle as many problems as that, and there were only two things of importance to be settled.

One was a peace treaty with Germany, as he always calls it, and it wasn't a peace treaty with Germany at any time. It was separate peace treaties with two Germanys. The other was ending the occupational status in Berlin. Those were the only two things, and they held the discussion to those two things just as much as they could by just rejecting everything that we offered from the point of view of a larger settlement.

Senator Green. Is that your summary of what they said, or is that what they said?

Secretary Herter. They said it in so many words. There was no mincing of words about it at all.

THE SQUARE TABLE-ROUND TABLE CONTROVERSY

I think it is important to give you a little of the atmosphere of the conference. We started with a real wrangle before we were ever able to sit down at a table. You may have heard about the square table-round table wrangle. It had considerable significance because the East Germans, in accordance with our exchange of notes, were to be invited and consulted, and the Russians were trying to make them full participants on an equal status with the other nations.

We objected to that, and we started in with the wrangle about whether it would be a round table, the Russians saying if the table were round, that would allow plenty of others to sit in; if it were a square table, it would mean the four nations at the four sides of the table.

The principal part of that issue was whether the visitors would sit at the table with us or sit at separate tables.

We won that battle, but in the process there must have been 20 drawings made of square tables and round tables, and where the little tables would be at which the visitors would sit. We couldn't get an agreement until the very end, when the United Nations told us that their carpenters would be working all night trying to get a round table built. They didn't have one—which cost considerable money before they got through with it. But they would have to have instructions as to how many would sit at it, and what additional facilities were needed.

Because of the hearing apparatus for translations and so on, it would have to be attached to the different seats at the tables and the seats behind them.

We finally agreed on separate tables, after Gromyko heard that the conference wouldn't open and that we would have to announce he had refused to agree on tables. He finally agreed on separate tables. We were not going to have the visitors at the same tables with us.

Then came the question as to how far apart the separate tables could be, and Mr. Gromyko held up a pencil and said six pencil widths, no farther. That was his dictate on how far away the separate tables should be.

We began hauling out pencils that you carry in your pocket that are a little wider than a lead pencil. He refused to have those included, and finally there were six pencils laid down the table.

Senator **Green**. Was there any humor connected with this?

Secretary **Herter**. There was no humor connected with this at all. He tried to get the pencils as small as possible, and finally we agreed on the six pencils and he took a piece of paper and ruled from one end to the other. That was sent down to the carpenters of the United Nations to set up the table.

THE QUESTION OF EAST GERMAN RECOGNITION

But I mention that only because there is a thread that has run through these entire negotiations, and that is the insistence of the Russians, being egged on continuously by the East Germans, that East Germans should get greater recognition. That is the thread that runs all the way through it, their wanting recognition, and they have come now to believe that we are not prepared to recognize the East Germans, and they have stopped their pressures on that score.

The **Chairman**. What would East Germany include, in the sense that they used it?

Secretary **Herter**. They claim that all of Berlin is part of East Germany. But the record, which is just as clear as it can be from the point of view of the agreements made during the war and immediately after, was that the area of greater Berlin should be set up as an entirely separate area and should be jointly occupied by the three powers; France was brought in later.

Senator **Green**. Was anything said about access in that?

Secretary **Herter**. Oh, yes, that was in the early agreements. That was very clear.

They wanted to talk entirely about the peace treaty with the two Germanys. They had proposed a peace treaty that they had made public before we ever came to the meeting, and they laid it on the table as a document and wanted us to begin discussing that.

We didn't want to get into a discussion of that, although we wouldn't have minded particularly because the treaty was so bad that I doubted they could even ask the East Germans to sign it. It is such a punitive document that I doubt they could get the East Germans to sign it.

But they wanted us to discuss that and tell them what was wrong with it. We told them that we would be glad to discuss a peace treaty if we knew who it was going to be signed with. We felt, and they have admitted, that the reunification of Germany must come, but they never intended to follow that statement. Then they began to argue that signing separate peace treaties by the two East Germans would lead to reunification of Germany, and they never explained why their minds worked that way. From the point of view of any logic that I can think of, it would have meant the permanent separation of the two parts of Germany.

That went on for a few days. We offered our Western peace plan. They spent one day looking at it and said it was wholly unacceptable; that it was too complicated, covered too much ground; that we just couldn't discuss anything as difficult and complicated as this.

And we explained that they had agreed to a discussion of this in the exchange of notes wherein we said we would discuss a peace treaty with Germany and Berlin, and that we would also put the Berlin question within the context of the overall German question.

Actually, our peace proposal went a pretty long way to meeting the objections that they had raised in 1955 after the last summit conference, and in our opinion, it was a very fair approach to a really comprehensive settlement of the difficult problems that are involved.

At that stage in the proceeding, when they had rejected everything without discussion, we came back to the John Foster Dulles funeral here.

LACK OF PROGRESS IN REACHING AGREEMENT

Gromyko and my two Western colleagues and I were on the same plane going back, and we had a chance to talk about where we were. It was obvious that we were getting exactly nowhere either on a peace treaty with the two Germanys or on a real effort to meet the German problem, and that we had better see what we could do about Berlin.

The following 4 weeks were devoted entirely to talking about Berlin, until the last few days. We offered our plan on Berlin, and not only was it rejected by Mr. Gromyko, but Mr. Khrushchev made a speech in Albania in which he said that our Seven Point Plan didn't have a single point in it that was even negotiable.

They offered a plan which, as you know, would have thrown us out of Berlin within a year, and which would not have recognized any of our existing rights, either explicitly or implicitly. It would have required us to do things with respect to our troops and with respect to our propaganda activities in Berlin which were entirely one-sided.

During the course of that discussion we introduced two papers. I happened to read them both; they were prepared by our staff, and they were very well staffed and well done.

One had to do with the armaments of East Germany, which was interesting in that it gave chapter and verse on every one of their units, and showed that their military strength relative to that of West Berlin was about 4 to 1 in actual numbers of troops and equipment, outside of any possible nuclear weapons.

[Deleted.]

Also, I had a large documentation of extracts taken from their own newspapers and their own radio stations.

Senator GREEN. Do you mean East German or Russian?

EAST GERMAN PROPAGANDA

Secretary HERTER. These were East German because at that stage of the game the Russians were trying to impose conditions on us in connection with West Berlin, which we said we would consider if we would begin talking reciprocally about East Berlin and West Berlin both, but which we wouldn't consider from the point of view of West Berlin alone. This isn't a very elegant story, but in the excerpts that I read to them—and I showed Mr. Gromyko this, outside of a public session, and only referred to these documents outside—we had a tape recording that was sent to me from Berlin of a radio speech that had come just 2 days before our meeting. In that radio speech, the East Berlin radio had said that Dr. von Brentano—the Foreign Minister of West Germany—and I had gone to dinner together at a place called Anecy, which is a little way from Geneva, to a very swell hotel there, and that then, for 4 hours, we had eaten delicacies, fine viands and drunk fine wines, after which we had retired together for a little homosexual exchange.

Senator GREEN. Oh, no.

Secretary HERTER. There it was, we have the recording of it, But then what they said about von Brentano in addition to that in the newspapers was indescribable. I just hate using the language that they used.

I showed these things to Gromyko. We had them all down, page after page of this stuff, and I said, "You are complaining about propaganda going out from the radio station RIAS from West Berlin; just take a look at what your own boys are doing." I let him have it, and then I put on the record all the mechanical part of it.

I don't think they are going to press too hard for controls there if they have to do it on a reciprocal basis, but it gives a little of the idea of the bitterness of feeling between the East Germans and the West Germans at the moment, and the type of propaganda that is coming out of that area.

Adenauer is their pet hate; von Brentano is their second pet hate, and everyone connected with the West Berlin Government is equally attacked.

Senator MORSE. Mr. Secretary, what would that man say about that kind of vicious, dirty slander?

Secretary HERTER. He was really shocked by it. All he could say was, "I don't believe it is true."

I said, "I have the tape recording. If you want to read the tape recording, you can."

Senator MORSE. Is there enough in him so that he showed a human trait of being shocked at that kind of story?

Secretary HERTER. He was shocked. I think he was really rocked by this.

I am giving that kind of detail only because it gives some idea of the type of thing that is emanating from the newspapers and the radio propaganda from East Berlin.

Senator LAUSCHE. May I interrupt? That he was shocked would not necessarily negate the fact that others approved of that type of propaganda.

Senator MORSE. Not at all. I just wanted to know what his reaction was.

Senator HICKENLOOPER. I suggest he was shocked probably because he was caught at it rather than at the statement.

Senator MORSE. If you had a chance to study the man's muscle tone and study his expressions, did you find that he really disapproved, or did he disapprove because he got caught?

AMBIGUITY OF GROMYKO'S POSITION

Secretary HERTER. Let me say this about Gromyko: As I said, I think he is a pretty decent guy. I don't think he has any room to move in. I think he is under the strictest of orders. He is really a puppet of Khrushchev's; he doesn't dare move away from the fixed line, and at intervals I had the most exasperating conversations with him. We spent one whole afternoon on one single question: If we made a temporary agreement on Berlin, would that mean that they would expect that we had given up our rights which we now had in Berlin, or not? He wouldn't answer yes and he wouldn't answer no, and we said "Well, from your attitude in this matter, and from what we have read in Mr. Khrushchev's speech, we can only infer that the answer is yes."

He would answer, "That is your interpretation; I do not share it."

And then we said "You do not share it; then you think to the contrary."

He said, "That is your interpretation; that is not what I said."

Then we would go on. The three of us would take turns over and over again, because as you know, the juridical position is of some importance as to why our troops are there.

Well, when we get to Berlin, the conversation started out reasonably hopeful in that it looked as though we might be able to work out a modus vivendi; but all of a sudden upon orders from Moscow he came up with an entirely new proposal which was an ultimatum on a 1-year deal—which a few days later extended to 1½ years—in effect wiping out everything that we had modified in the second instance by saying we would have another meeting of the same participants as in this conference to discuss what happens from there on out, but again refusing to answer the question.

"We signed up for 1½ years; does that mean we start with no rights of any kind when we renew our negotiations?" He wouldn't answer that. But at midnight of the night when we decided to recess, he put out a statement, the mildest that has come yet, in which he claimed that we had misinterpreted their ultimatum and that as far as a time limit on an agreement was concerned, with them it was not a matter of either importance or principle, and that they had suggested the year and a half because in the Western peace plan we had suggested that a plebescite take place in 2½ years. So they said that they would fix a date somewhere between the 1 year that they had orignally suggested and the 2½ years we had suggested for an all-German plebescite that had no relation to this, and fixed the time at a year and a half.

UNCERTAINTY OF REACHING AGREEMENT

It is terribly hard to tell whether or not there is, when we meet again, a chance of reaching a modus vivendi for Berlin. I think there is an outside chance, but only an outside chance, and I base that not on their last statement to us, but on this very carefully worded release that they put out at midnight after we had decided to recess.

Whether it was merely a come-on to give us a feeling that there was more chance of reaching agreement, I don't know. But the impression both of my colleagues and I got at the end was that they were really anxious to reach some kind of an agreement, the possible negotiating process apparently coming up to a point where we saw daylight ahead, and then suddenly their throwing an ultimatum at us on an entirely different matter tossed into the thing, on instructions back home. It makes you wonder whether they really want to reach an agreement or not, and I wish I could be more explicit from the point of view of being hopeful or being able to predict what may happen on further negotiations, but I cannot be.

Senator GREEN. Is it still your opinion that they will not?

Secretary HERTER. I can't say I am optimistic. I would much rather not say I am optimistic.

Senator GREEN. Don't the facts go so far?

Secretary HERTER. I can see the outlines of an agreement that would be an honorable one from our point of view, but I don't know.

Senator GREEN. Why should you be any better off when you reconvene than you were when you adjourned?

Secretary HERTER. We are living under the threat of a sword of Damocles all the time. My personal view is that we could go on talking for a long time. As long as we talk the situation in Berlin remains unchanged.

The threat in this picture that one has to be realistic about is not the threat to our armed forces, to our soldiers, or the lines of access for them. It is the threat of attrition by harassment by the East German authorities who today control all the civilian access to Berlin, and the city of Berlin is a tremendous industrial establishment.

THREAT TO CIVILIANS AND INDUSTRY IN BERLIN

Now, it is rather interesting, and I am using these figures merely by way of indicating that here is a group of 2 million-plus free peoples. They represent a group larger than the numbers in one-half our States in the United States. They are a group larger than 20 percent of the nations in the United Nations, and their production is more than half of the nations of the United Nations.

In other words, they are a reasonably important group. They are not just a hunk of a city away off somewhere. But they are in a terrible spot, because they are completely surrounded by the Communists, and today all access to Berlin outside the lines of access we have are controlled by the East Germans, who can put in every kind of a roadblock to block access to raw materials, and so on. That makes the situation difficult, and from the point of view of any solution the most important thing in that picture is not our troops, but the guarantee of access to West Berliners so they can maintain their economic life.

If their economic life was suddenly cut off, and 200,000 or 300,000 were unemployed there, you might find the Communist propaganda working in a comparatively short time; so if the West Berliners, who have been extraordinarily staunch up to now, saw no hope but slow strangulation through that process, they would give up the ghost.

And so to get protection for them, as free peoples, I think, is and should be our primary objective.

Our troops are their protection; they are not a military factor at all.

They are the symbol of our protection, and they were given the blessings of the West Berliners in the vote that took place last December when 98 percent of the people voted for them and the other parties' remaining there. The Communists only got 2 percent of the vote. Even in the strongest industrial areas they didn't get more than 4 percent of the vote.

Senator GREEN. Was there reference made anywhere in your discussion to what the result would be if no agreement were reached at all?

Secretary HERTER. That we have been told a number of times. That was threatened last November, when Mr. Khrushchev said that on May 27 they would make a separate peace treaty with the East Germans and turn the access routes over to them.

That was repeated by Mr. Khrushchev in the final days of our conference. We were held waiting for 2 days in the last paper we handed to Mr. Khrushchev on Western proposals that were pretty darned good.

He wouldn't answer them, and he asked for delay. Then he answered them on the next-to-the-last day of our meetings after we had heard Khrushchev issue over the air the same threat that went right back to last November, that they would make a separate peace treaty with East Germany, that the access routes would be turned over to the sovereignty of East Germany, that if we infringed the sovereignty of East Germany by any effort to move over the routes, which was not approved by the East Germans, Russia would stand by her ally from the military point of view. That threat was made again near the end of our discussions.

That was done by a threat after the 1-year period. Then in the last days they came up with 1½ years and said that the period was unimportant, and it was not a matter of principle with them.

Senator GREEN. Do you anticipate that they will make the same threat after you reconvene and you can't reach agreement?

INTERPRETATION OF SOVIET POSITION

Secretary HERTER. The last document—the one that was given out at midnight before we left—says that there was no threat intended, that the deadline was one that was subject to negotiation, and we had misinterpreted.

Well, you couldn't read the language of the document they handed us and misinterpret it. It was just as clear as a bell, and reading it together with Khrushchev's speech, which was played to the East Germans as they were leaving Moscow, we were in a bad way from the point of view of really having a threat hanging over us.

The CHAIRMAN. Then do you think that to a certain extent they were bluffing in the whole negotiations?

Secretary Herter. I don't think they are bluffing.

Senator Green. But was that your impression?

Secretary Herter. I think they may be bluffing on carrying out the threat. I don't think they are bluffing at all in standing fast on wanting to get rid of the occupational status of Berlin.

I think they are willing to let us continue with our rights as long as it isn't explicitly stated, but if we try to pin them down to that, they won't admit it.

But there is a great danger in not knowing what their interpretation is, if our interpretation is different, and they don't tell us what their interpretation is.

There was only one mention of the summit during the entire conference, and that was by Gromyko when he stated that the President was in error when he coupled the results of the conference in Geneva with a summit conference and that there was no relation between the two. And that was entirely contrary to our whole exchange of notes. That was the only mention of it. It was never raised again.

Senator Green. If there were a summit conference, what different proposition would be made?

Secretary Herter. One hasn't the slightest idea. That is the great difficulty in urging the President to go to a summit with a thing in the stage that it is now in.

I hope, and I say it very frankly, that there will be a summit. But as things stand now, I couldn't, as an individual, recommend to the President that he go to a summit with things as messed up as they are at the moment.

Senator Aiken. Did France and England come away with any hope for the future?

UNANIMITY AMONG FOREIGN MINISTERS

Secretary Herter. No. One of the very encouraging things to me was the real unanimity that existed there on the part of the Foreign Ministers. We took great pains; we had a coordinating committee every morning. We had meetings of the Foreign Ministers almost every noon. We would decide who would make a speech on what subject during the afternoon so we wouldn't duplicate and waste our efforts.

In most cases, we exchanged texts of speeches before they were made, and it was a very fine bit of teamwork.

Senator Aiken. Will you have any other proposition to make when you go back in July?

Secretary Herter. I doubt that we would try to go into any new fields at all.

Senator Aiken. Do you think they would have any?

Secretary Herter. I doubt it. There are some adaptations of the things that have been discussed that might be worked out. For instance, in our Western peace plan we recommended setting up an all-German committee of technicians to do two things: One, to work out the draft of an electoral law which would be subject to a plebiscite in the two Germanys, and if no agreement had been reached on the text of such a law in 2½ years, then the alternate would be offered to the peoples of the two countries; and if both countries voted for the same alternate, that would then be binding on the two countries.

We also provided that that committee should facilitate further friendly exchanges of persons between the two Germanys.

Senator **Aiken**. You say that their position with regard to two Germanys was punitive, and that if you proposed a separate peace, it would be a very punitive peace.

Is that one reason they are so anxious to get the Western nations in with them? Would they go ahead and try to make a punitive peace with East Germany alone?

Secretary **Herter**. I think East Germany would just balk, and we would never sign a treaty.

Senator **Gore**. Would balk?

Secretary **Herter**. Yes. I think any East German Government, even though they are completely under the heels of the Russians, would say, "Why, when we are your close allies, and playing with you, are you trying to force something as tough as this on us?"

But what I think they wanted us to do was to begin talking peace treaty, which would be a peace treaty for a single Germany, and then they would say, "Now, you have approved all this; this is what we are going to offer to the East Germans."

Senator **Aiken**. They would never agree to a unified Germany at this time, would they?

GROWING COMMUNIST INFLUENCE

Secretary **Herter**. They will never agree to it, in my judgment, unless either they have such troubles with East Germany or they feel that the Socialist Party in West Germany is making such headway that, combined with the Communists of East Germany, they can really get control of the country as a Communist or semi-Communist nation.

Senator **Humphrey**. Don't you believe the Socialists in West Germany would combine with East Germany?

Secretary **Herter**. That is what worries me. That is the conviction of Mr. Adenauer.

Senator **Humphrey**. That may be the conviction of Mr. Adenauer, but it is not the political conviction of political scientists who have studied that situation for the last year.

Mr. Ollenauer [sic] is surely not a sympathizer of the Communists. Willy Brandt is a Social Democrat and not a Communist. I have completed a most up-to-date study of the Social Democratic Party of Germany, and it is violently anti-Communist.

Secretary **Herter**. Senator, please don't misunderstand me. I do not share that view of Adenauer at all, and I think I mentioned before that one of the handicaps we are dealing with is the real fear that Adenauer has of West Germany being communized.

Senator **Humphrey**. Oh, yes.

Secretary **Herter**. It is an obsession. But we have to deal with his officials when we are working these proposals out, and of course now he has taken a position that only he can save Germany from communism.

He is a very stout fellow, but I think he has certain obsessions that complicate our work a little bit.

Senator **Hickenlooper**. By the same token, I think that East Germany is 95 percent non-Communist.

Secretary **Herter**. If they were given a vote——

Senator **Hickenlooper**. But that doesn't make any difference. The Communists have taken them over.

Senator **Green**. How did you size up the feeling of the people in East Berlin toward the people of West Berlin, and vice versa?

RELATIONS BETWEEN EAST AND WEST BERLIN

Secretary **Herter**. Forty-two thousand people go from East Berlin to work in West Berlin every day.

Senator **Morse**. How many?

Secretary **Herter**. Forty-two thousand. And then they go back at night to East Berlin. The number of refugees going across every day is still startling, because this has been going on for a long time. You figure at least 3 million people are going across, at the rate of 400 a day.

Senator **Green**. Do they settle in West Berlin?

Secretary **Herter**. They go to West Berlin and to a place called Mariendorf. At that time they are interrogated about where their relatives are, where they want to go, what skills they have.

Senator **Green**. And then they scatter?

Secretary **Herter**. They scatter around through Germany. But the number of doctors, technical people, and skilled people who have come out recently is tremendous. The doctor population is serious, over 2,000 in the last 16 months.

Senator **Sparkman**. Do you think that sapping the lifeblood of East Germany may have something to do with Khrushchev's desire to turn this thing loose? In other words, is he impressed with the idea that he is going to have a nonviable country in a short time if this keeps up?

Secretary **Herter**. They offered us the idea of what they called the "free city of Berlin." The present city of Berlin would have to sever its ties with all countries, but there would then be a four-power guarantee of us and the Russians with token forces of all four parties bringing the Russians into West Berlin to carry out these guarantees with a separate statement by the East Germans as a guarantee that they will be allowed to continue their economic life and their social life as is.

ECONOMIC CONSIDERATIONS

This was the proposal that they first put up to us. There were a good many hookers in there; for instance, what the West Germans fear most is having their currency separated from the West German currency. That would dislocate everything.

But there was one bad giveaway in the proposal. They would guarantee raw materials from the East for the city's industry. In other words, they had every intention of starving it out so far as the West was concerned, and bringing it right into the Eastern economic orbit.

Senator **Sparkman**. Do you believe this is at a complete stalemate, or is there hope?

Secretary **Herter**. I am not convinced there is a stalemate.

Senator **Sparkman**. Is there hope in the July 11 resumption?

Secretary **Herter**. I am not going to be optimistic about it until we really see. I think there is some hope.

Senator **Green**. What different propositions could be made or discussed or agreed upon if you had a meeting at the top, higher up than your meetings? What is the distinction?

Secretary Herter. If we could narrow down the issue to perhaps one simple thing, with agreement on other issues, that, I think, might be proper for the summit.

On the other hand, as things stand now, we are far apart on the two basic positions—one, that we get out of there on the basis of occupation rights; and two, our position that we have a pledge to protect the West Germans, and that we are not going to give up the rights that we have unless we see a better protection for them.

Senator Lausche. Would you please repeat that? One is to get out; and what is the second?

Secretary Herter. That we are going to maintain the protection we have promised to the West Germans.

Senator Lausche. I see.

Senator Humphrey. Mr. Secretary, if this war of attrition is not on our garrisons, as you indicated, but on the civilian population, and there is resultant unemployment, is there a danger that there may actually be violence or rebellion?

Secretary Herter. In West Germany?

Senator Humphrey. I mean with West Berliners moving over into East Berlin engaging in any kind of hostilities.

Secretary Herter. Not unless they were actually being starved out. I think West Germany today subsidizes a good deal in West Berlin, because of tolls that are entirely out of all lines with commercial tolls.

Senator Humphrey. Yes.

Secretary Herter. For certain products going into West Berlin.

I think the West Germans would go a long way to try to somehow keep the unemployed in funds and food.

Senator Humphrey. How could they get it to them?

Secretary Herter. Well that, of course, is a very real problem.

Senator Humphrey. This is the problem.

Secretary Herter. It might force them to begin buying entirely from the East.

MILITARY CONSIDERATIONS

Senator Humphrey. Was there any discussion of the nuclear armament of West Germany?

Secretary Herter. No, not West Germany; it was never mentioned.

Senator Humphrey. It was not?

Secretary Herter. It was mentioned in connection with the introduction of nuclear weapons with our troops into West Berlin. We have taken the position, and I think absolutely correctly, that our troops in Berlin are not an important military unit in any sense whatsoever.

After all, they are surrounded by 30 divisions of Soviet and East German troops. What can 10,000—or is it 11,000?—[deleted] do against 30 divisions?

They are not of importance as a military unit.

One of the last conditions that they threw in was that we would agree not to introduce atomic weapons into West Berlin, and we have said we would be willing, after talking with our military people, to do a certain checkup. We never would have any intention of doing that. So that is not a bothersome condition to agree to except that they may use it later as a precedent for West Germany.

We don't think of those troops as a contingent that could ever do more than assist in riots or something of that sort.

Senator **Hickenlooper**. Did they agree to not introduce atomic weapons into the East zone of Germany immediately adjacent to Berlin?

Secretary **Herter**. No, they have been asked not to do it on a reciprocal basis.

Senator **Hickenlooper**. We agree not to put them in Berlin, but they don't agree not to put them next door on the outskirts of Berlin.

Secretary **Herter**. Actually, I don't think they want any nuclear weapons in the hands of East Germans; I don't think they trust the troops around the corner.

Senator **Morse**. What impression, if any, did you form, Mr. Secretary, as to how willing the Russians might be to start a program of hostilities. In your opinion, are they inclined toward war, or are they really trying to find a peaceful way out of this mess?

Secretary **Herter**. They would like to see a peaceful way out of this mess; but at the same time I think they want to get out the cancer of that free enclave in the middle of a Communist state.

In other words, I think they would go a long way to get rid of it, not because they as individuals are so interested in it, but because of the pressures that the East Germans are putting on them, saying, "How can you expect us to develop your good system of communism here in East Germany when we have a spectacle of what a free country can do sitting right in the middle of us?"

Senator **Morse**. Do you mean the Communist East Germans, not the rank-and-file East Germans?

Secretary **Herter**. Yes, I think the East German Government is having its troubles.

SOVIET CONTROL OF EAST GERMANY

Senator **Morse**. That is what I mean. The population of East Germany, if they got a chance, would go for freedom; but they are dominated, as are the Russian people, by East German Communists who are puppets of the Soviet Union.

Secretary **Herter**. It was rather interesting, Senator, that of the six East Germans who sat as visitors at this separate table, there was only one who put earphones on when Gromyko was speaking. Three of them had been Soviet citizens; that we knew from their records. In other words, imported East Germans were there, and they all apparently spoke Russian fluently.

UTILITIES IN EAST AND WEST SECTORS

Senator **Humphrey**. Did we ever get a description, Mr. Secretary, of the lines of communication between the East and the West zones of Berlin that represent the type of control that the East Germans have over West Berlin?

I believe, if I am not mistaken, there was some discussion of it. For example, I know that at least portions of the water system, the transit system, the electrical power system, and so forth find themselves in the hands of the East Germans.

Secretary **Herter**. That is right.

Senator **Humphrey**. So the life of the city is literally on the switchboard frequently in many of these areas over on the East German side; isn't that about right?

Secretary **Herter**. That is right, and there is almost free exchange back and forth across the border.

Senator **Humphrey**. Yes.

Senator **Hickenlooper**. I think West Germany is completely free of electric power.

Senator **Humphrey**. I am speaking of West Berlin.

Senator **Hickenlooper**. West Berlin is completely free now, has its own power source which is adequate, as I understand it, and is not dependent upon the East sector of Berlin for power.

I think they have an exchange arrangement whereby some comity may exist. If they need a sudden surge of power they may be able to get it, but it is my understanding that with the building of this last new powerplant in West Berlin they are completely free from any dependence on East Berlin for power.

Senator **Humphrey**. But not sewage.

Senator **Hickenlooper**. I don't know much about the sewage there. They are free from East Berlin on water.

Senator **Humphrey**. The mayor told me that during the 1948 airlift they had some trouble on the sewage and they still have it.

Senator **Hickenlooper**. That is a different situation. After that time they got busy and I think West Berlin is completely independent on their services now. Their electrical system, their trolley cars, their transportation——

Secretary **Herter**. I talked to Mayor Brandt about that. He said he would be inconvenienced, but they could live, if the East Germans should suddenly set up the State of East Germany; in other words, if there were no longer a city border but a state border.

ACCESS BETWEEN THE SECTORS

Today it is harder to get into East Berlin from East Germany. You have to go through all the sentries to get into East Berlin, but to get from East Berlin to West Berlin is no problem at all. They do not have the border guarded between those two. He said it would be a serious inconvenience, but they could live in West Berlin today if the East Germans decided to close that border between the two parts of the city.

Brandt is a very stout fellow.

Senator **Humphrey**. Indeed he is.

Secretary **Herter**. And he is a pretty realistic fellow, too.

Senator **Humphrey**. What does he think the future means if there can be no agreement?

Secretary **Herter**. Well, naturally, he is worried.

Senator **Humphrey**. Yes, I know.

Secretary **Herter**. But this question of civilian access is to him the most important thing of all, and he thinks that the Germans ought to loosen up some regarding talks between East and West Germans, no question about that.

SIGNIFICANCE OF ELECTIONS

I think he is the one who brought on the decision to hold the presidential election in Berlin on the first of July, and there may be some real troubles there. I doubt that they are going to make trouble there, but they have been threatening it.

Geisler, who is now the chief propagandist in East Berlin, said the other day that if presidential elections were held in West Berlin, this would be such a provocation that he may have difficulty in holding his workers in line to keep them from blockading the city, which is a curious way of expressing it. And they may try to make some trouble.

Senator SPARKMAN. Do you believe that the Russians are in earnest with reference to the Geneva Conference, or could they be using this as a diversionary tactic?

DIVERSIONARY TACTICS?

Secretary HERTER. No, I don't think it is a diversionary tactic. There are plenty of diversions going on and different kettles that are boiling, but I don't think they are necessarily interrelated. The only thing that had any relationship in time to this Berlin thing, which he started last November, was the Iraqi business.

Now, Afghanistan and their penetration in there is going on steadily, but I don't think it is in any way related to the Berlin picture.

You see, the Berlin picture is not absorbing anything but the attention of a few bureaucrats who are sitting in Geneva watching these things and trying to negotiate.

Some of these other moves they made in Iraq have a different type of significance.

Senator SPARKMAN. Are they conscientious in their holding the Geneva Conference, or are they doing that simply because of their great desire to have the summit conference?

Secretary HERTER. No. I and my colleagues have talked this over, and we feel that they really want to reach an agreement. They think they have enough trump cards so that they can reach an agreement pretty much on their own terms.

Senator SPARKMAN. They have shown no sign of concession of any material point at all, have they?

Secretary HERTER. Well, the only thing is this: They went a long way on guarantees for free access to the city.

Senator LAUSCHE. Repeat that.

Secretary HERTER. They have gone a long way toward guarantees, and they said individually and severally that they would like to guarantee with the four powers this present access, provided we would agree to their free city concept. And they would guarantee that the East Germans would make a separate guarantee, not as cosignatories with us of the same guarantee, but through wanting a different status in Berlin.

SOVIET PROPAGANDA

Senator MORSE. Mr. Secretary, what effect is this internal German political situation having on Russian propaganda? Are the Russians taking advantage of it, and are they gaining anything from it?

Secretary HERTER. Yes, they are hammering Adenauer very hard every single day. They are holding him responsible for their failure to get agreement at Geneva, and they are using pretty strong terms about his being an incompetent old imbecile.

They are taking full advantage of this internal situation. But they are taking advantage of everything else. They are calling deGaulle everything under the sun, but they are saying he is really on their side, that he is trying to break up NATO, that in England Selwyn Lloyd is on the skids because the London Times says so.

They have been trying to develop the internal situations to their own advantage in order to split us apart just as much as they can.

SIGNIFICANCE OF THE SUMMIT CONFERENCE

For instance, I think they have been bitterly disappointed that the British have not broken away from us in these negotiations; and Selwyn Lloyd has really been stout. But they know that Macmillan is very anxious, with elections coming on, to have had a summit meeting behind him before the elections. They are playing on that for all it is worth, not to us because the summit has never been mentioned, except that the two things were entirely distinct.

Senator **Hickenlooper**. Of course, that is one thing that is rather disturbing. At least from the news stories that appear in the papers here, Macmillan, at least, is hoping for a summit conference, come hell or high water, indicating it might be a political move which, in my judgment, would be very undesirable.

Secretary **Herter**. [Deleted.]

The **Chairman**. [Deleted.]

Secretary **Herter**. [Deleted.]

I think the President is entirely willing to go to a summit conference if he can see some daylight ahead, because it would make the summit conference productive instead of accentuating troubles at the highest level, which would certainly create a very serious situation.

Senator **Green**. What is the ground for expecting that when they reconvene there will be a better chance of coming to an agreement?

Secretary **Herter**. I think there would be a better chance than we had before. If we had kept right on arguing, as we were there, the chances were that we would not have gotten much further than where we ended.

This document that they put out at midnight after we had decided to recess, which is infinitely softer in tone than anything they put out to date, is clearly an invitation to come out and talk.

I think you have to anticipate that there is some hope in that. If there is not, if it is just a fake, and they are just as stubborn and difficult as they were before, it is not going to be very hopeful.

Senator **Lausche**. Mr. Chairman?

The **Chairman**. Yes, Senator.

THE KHRUSHCHEV ULTIMATUM

Senator **Lausche**. Mr. Herter, what have you and your associates decided the immediate purposes of Khrushchev to be in his ultimatum that we should get out?

What are his immediate purposes? What are his long-range purposes? Is he concerned merely with allowing Berlin to stand by itself?

I ask that because in order to combat them most effectively, we could do so if we had some idea what they intend in the long run, and I would like to get your analysis of that.

Secretary **Herter**. Well, Senator, we can only be guided by certain things that have been said.

During the course of our discussions on Berlin, Gromyko said the most desirable solution of this is to have Berlin an integral part of East Germany, and I think that is a long-range objective they have in mind.

Senator **Lausche**. Now, the long-range objective envisages what, after they do have it standing in there as East Berlin?

Secretary **Herter**. It will become a communized city, just like Leipzig and Dresden, and so on; it would just disappear as a symbol of the free world in the middle of the Communist area. That is their long-range objective.

I think the short-range one was to stop the troubles they have been having with the East German Government.

They said internally that unless they could show more progress both from an economic point of view and from the point of view of recognition by the rest of the world as a separate government, they were going to have a very hard time keeping their own people in line.

They have been putting heavy pressures on the Kremlin, and the Kremlin, from a short-range point of view, wants to solidify the East German State and get recognition for it?

It has not been recognized by anybody except Communist bloc powers. They would start a big drive the minute they got a peace treaty to get neutralist nations to recognize it as a separate government and try to give it respectability and standing, like Czechoslovakia, Poland and Hungary, which are captive states.

Senator **Lausche**. All right.

Then are they concerned also about the conditions that prevail in the captive nations?

Secretary **Herter**. I think so. This is all shoring up the whole satellite position.

Senator **Lausche**. Well, then, one would be to make this enclave finally a part of East Berlin?

Secretary **Herter**. Yes.

Senator **Lausche**. Two, to stabilize their position which they feel can be done if the goodness of West Berlin is eliminated as far as the captive nations are concerned.

Now, three, in their long-range purpose, is there a thought about eventually communizing West Germany?

Secretary **Herter**. I think so. They have always been admiring and afraid of the Germans.

I think they would give anything to be able to absorb the Germans into their whole Eastern fabric, because of their respect for the technical skills and other skills of the Germans which they would like to incorporate into their whole scheme of things.

THE "NEUTRAL ZONE"

Senator **Lausche**. One more question. Did you discuss at all the creation of what would be the neutral zone? I think when you were here a few days before you went there, there was some mention that they wanted the Germans and the Poles neutralized, and that there was some thought on our part that there should not be a neutralization of people, but the neutralization of a zone.

Secretary **Herter**. That is right.

We offered that in the Western plan, but that was based on a phased security system going along with various steps toward German reunification. The security problem became entirely different if you suddenly took all of East Germany into West Germany on a reunification, and had the capacity of moving your troops that much farther toward the heart of the Eastern world; in order to allay fears in connection with that, we offered this zone.

They have raised that as one of the things they would like to pick out of our plan and have apply now to West Germany, and we have told them this was offered in conjunction with reunification and was not separable for discussion.

Senator **Lausche**. That is all I have.

Senator **Hickenlooper**. I think so far as this unity business is concerned, historically there is some basis for it.

I believe it was the philosophy of Bismarck that he advanced as something that might have possibilities of exploring—the union of Russia and Germany, with German leadership and skills and Russian manpower. And I believe in those years the philosophy of the General Staff was that if that could be accomplished, they could whip the world. That was the worldwide conquest theory that was discussed.

So I do not think that idea of the unity of Russian manpower and German leadership is active at the moment.

Secretary **Herter**. That would be a frightening thing for the rest of Europe.

Senator **Hickenlooper**. But it was discussed long ago.

Senator **Lausche**. Mr. Chairman, I want to ask another question.

THE CONFERENCE TABLE CONTROVERSY

Did you and your staff try to psychologically analyze what seemed to be a foolish argument about how far away that table should be? They had some definite purpose, some definite motive; was it to indicate to you how tough they were going to be in their negotiations?

Secretary **Herter**. I think it was their promise to the East Germans. This again was trying to satisfy the East Germans in order to get recognition.

Senator **Lausche**. I see.

Secretary **Herter**. They thought if they were brought in at the same conference table and allowed to sit with the other conferees as big powers, that would be a de facto recognition of them.

Senator **Lausche**. Right.

Secretary **Herter**. I think that was their purpose in doing it.

They are claiming now that our allowing them into the conference room at all as advisors has constituted recognition.

The **Chairman**. Anyone else?

CONCESSIONS IN THE NEGOTIATIONS

Senator **Mansfield**. Mr. Secretary, I think you went an awfully long way in making concessions on a quid pro quo basis to try to meet certain facets that the Soviet Union has said time and time again they thought would be reasonable items for discussion.

But when you laid them all on the table, they turned them down except that maybe here or there on the question of neutralization of Central Europe, they would be willing to consider that alone. But in the package, they turned everything down completely. I do not know what else you have to offer them.

Secretary **Herter**. We have not much more to offer them. If we are going to reach agreement, the concessions are going to come the other way.

Senator **Mansfield**. That is true.

Secretary **Herter**. The only debatable thing that I can see now would be the level of troops in Berlin, which is not important. It is psychologically very important to the West Germans, because this is a symbol of their protection.

On the other hand, if we can get an agreement that takes care of their civil rights as to access, they would give up almost anything; that means more to them than anything at all.

Senator **Gore**. Mr. Chairman?

The **Chairman**. Senator Gore.

Senator **Gore**. I agree with Senator Mansfield that you have gone pretty far in offering concessions. But he added "on a quid pro quo basis." Frankly, I was not able to recognize that quid pro quo. I did not see the Russians offering much.

Secretary **Herter**. Our proposal was made on the implicit recognition of our continuing rights, and was written right into the paper.

Senator **Gore**. Yes, but they did not make them.

Secretary **Herter**. Oh, no, they have not made that. That is why I say we have not reached an agreement.

Senator **Mansfield**. We demanded it.

Secretary **Herter**. In other words, our proposals were that we would do this if they would do that, but none of our proposals stand by themselves as concessions.

Senator **Gore**. That is what you meant——

Secretary **Herter**. As a quid pro quo; oh, no.

Senator **Gore**. Mr. Secretary, didn't we make or at least offer some concessions to a greater extent than they offered? Just what concessions did they offer except on the basis that we could not accept any of them in any respect?

Secretary **Herter**. The only concession they have offered to date is the guarantee of access, provided we will accept the end of occupational status and a new arrangement in Berlin of what they call their "free Berlin proposal." That is all.

Senator **Gore**. Do you think that has possibilities for exploration?

Secretary **Herter**. It has some. But they have to make better concessions than they have made to date.

Senator **Gore**. What connection do you think there is between the conference which you have just been attending and the Weapons Test Conference that is continuing?

Secretary **Herter**. I don't think that there is any necessary connection between the two.

THE WEAPONS TEST CONFERENCE

The Weapons Test Conference is moving along, as you know, very slowly.

Gromyko tried to take the whole Weapons Test negotiation away from those who were negotiating and put it in the Foreign Ministers' hands in Geneva, and we refused to do that on two grounds.

One, we did not agree with him that all the outstanding problems could be settled by political decisions; there were a number of scientific facts that had to be determined before any agreement could be reached and the Foreign Ministers were in no position to talk about scientific matters; there were scientific experts as part of the negotiations, and the negotiations ought to stay right where they were.

Two—and this is a possible connection—I think the Russians hoped that if no agreement sufficiently promising to have us to go to the summit was reached here, we might do it on the nuclear test matters.

Senator **Gore**. I was a bit perplexed to read that the President seemed to confirm that in his press conference the other day. Do you not think he did?

Secretary **Herter**. No. With his full authority I reached agreement that the nuclear test matter is not one to go to a summit conference as such; is not to be put on the agenda.

We have a very difficult problem with the French on that. In fact, I think deGaulle would never go to a summit conference if he felt this was going to be on the agenda.

Senator **Gore**. There was rather wide misinterpretation of the President's meaning.

Secretary **Herter**. Yes. He said there might be other reasons.

Senator **Gore**. Yes.

Secretary **Herter**. I do not think he had nuclear tests in mind at all.

Senator **Gore**. That is reassuring, because it perplexed and disturbed me.

I agree with you that this is a matter for detailed negotiations and not one which can suddenly be settled at a conference between heads of state.

Secretary **Herter**. It is much too complicated, and it is not far enough along to make political decisions out of very important scientific decisions that still have to be made.

Senator **Gore**. Thank you, Mr. Chairman.

The **Chairman**. Senator Aiken.

Senator **Aiken**. I have no questions.

The **Chairman**. Anybody else?

Senator **Humphrey**. I have a question I would like to ask, Mr. Chairman.

What reason is there for the Soviet Union to make any concessions, Mr. Secretary?

I am looking at it from the most difficult point of view, at least from our side. What reasons are there for us to expect the Soviet would make any concessions? What do they need from us?

Secretary **Herter**. I think one thing they are very anxious for is the summit. Whether or not they will pay an adequate price for it, I do not know.

The second is what we have kept hammering and hammering into them. We have signed, sealed and delivered agreements that have never been questioned. "You unilaterally are trying to violate and break those agreements. If you do that, you are going to be branded as completely untrustworthy for anybody to sign an agreement with in the future."

We have kept rubbing that into them all the way through. That is why we kept asking them over and over again, "Do you plan to take unilateral action to deprive us of rights we did not get from you and which you would be giving away without having any right to them whatsoever?"

We continued by saying, "Are you going to take that position?"

They have never answered it. They have acknowledged the legal rights on the troops and on access.

Senator HUMPHREY. Don't they also state, though, that we have violated certain other agreements, and therefore they are entitled to violate this agreement, even though we have legal rights? This is the argument that I have heard and read.

Secretary HERTER. The first Khrushchev statement which started this whole Berlin crisis in November, before he sent us a note, claims that we had violated the Potsdam agreement.

Senator HUMPHREY. That is right.

Secretary HERTER. And as a result of that we had lost our rights. He has had to retract that completely, because there is not a single mention of anything to do with Berlin or the occupational rights or the access rights in the Potsdam agreement.

There is not a word about it, and some lawyer had given him a bad steer there, or he did it off the cuff. He has had to back down on that completely, they have never mentioned our violating any rights.

Senator HUMPHREY. In the agreements?

Secretary HERTER. Or any agreement.

Senator HUMPHREY. In the agreements relating to Berlin, are there explicit terms relating to guarantee of access to Berlin?

Secretary HERTER. Yes. But that was regarding the civilian population; it has never been explicitly spelled out. That is the fuzziest thing we have.

Senator HUMPHREY. That is the point. What I am getting at is that the Soviets may very well hang their legal hat on the legal premise that as to garrisons, "You are entitled to maintain and entitled to sustain."

But insofar as the balance of the community is concerned, there is no explicit guarantee written into any agreement and therefore, "We are going to turn over the rights pertaining to this to the state that we, the Soviets, according to Soviet spokesmen, recognize, namely East Germany."

Aren't you faced with that kind of legal distortion?

Secretary HERTER. Yes. They have not brought it out, but it is interesting that in the record when the East German State was created, so to speak, as we created the West German State, we made an agreement with the West German State. We made it promise to live up to a charter of the United Nations, even though it was not a member; we reserved all the rights that had to do with Berlin and access from the point of view of occupational status.

The Russians did the same thing with the East Germans. Then at a later date, the Russians exchanged two letters with the East Germans called the Zorin-Balz letters. One of them has to do with civilian access; they have already turned over complete control of that to the East Germans.

The second had to do with our access; they continued to reserve the right to carry out their agreements with us.

Senator HUMPHREY. My point is simply this: You might find yourself in a situation where the Russians keep us in suspended anxiety; namely, no agreement.

But for the indeterminate future, no real precipitation of crisis. I mean, just sort of a hypertension but not explosion. That seems to be a real possibility in the Berlin situation.

THE EAST GERMAN ECONOMY

As to the other possibility, I wonder sometimes if it would be helpful if the Department would give the committee a rundown of the nature of the East German economy and its relationship to the industrial complex of the Soviet Union and the other satellite nations.

I have had people tell me that the Soviets have really almost redirected the East German economy and have built into it, for example, the chemical industry, the plastics industry, and what little petrochemical industry they have, and some of the machine tool industry, to a point where to presume that the Soviets would ever give it up is to presume that you would give up part of your inheritance, so to speak.

What they are really seeking is, yes, a reunited Germany someday, on terms which will not loosen the industrial complex of East Germany from the Soviets, but will integrate the West German complex into the Soviets.

Is there evidence that lends validity to those assertions?

Secretary **Herter**. Yes, I think so. I cannot give you the facts and figures, because I do not know them well enough. But as you know, for the first few years the Russians did everything they could to strip East Germany, and that continued until 1950–51, when they began building up for the East German State.

Then when they began building up the East German State, they knew they would have to do something to compensate for the tremendous pilferage that had taken place, which materially affected the economy of the country, and they have been reversing the process by putting in new industry.

Whenever they put in new industry, it becomes a part of their entire industrial complex, when they put it into a satellite. It is always part of a planning operation.

Senator **Humphrey**. Yes.

Secretary **Herter**. And it is done only with that planning in mind, that everything shall supplement everything else; and that undoubtedly has been going on.

They claim that within 3 years they can bring up the standard of living of the people in East Berlin, East Germany, and West Germany. I think they would have a very difficult struggle and great expense doing it, particularly if they were trying to do it for the civilian population.

Senator **Mansfield**. Mr. Chairman, could I ask a few short questions?

THE LEGAL STATUS OF WEST BERLIN

Is West Berlin technically a part of the Federal Republic?

Secretary **Herter**. It is technically under the German Constitution. But this was one of the things in which we exercised a long time ago, in 1950, our occupational rights. It is one of the laender, one of the states of West Germany, but it has never exercised any of the rights of the states [deleted].

Senator **Mansfield**. One more question.

Secretary **Herter**. Today, from a legal point of view, they have very interesting ordinances in West Berlin. The German Federal Government passes laws on tax, economic matters, unemployment insurance and other things of that kind; they would apply to Berlin, but only after they have been accepted by the Senate, the local council in Berlin.

Senator **Mansfield**. Are you apprehensive about the meeting of the German Parliament which will take place in Berlin next month?

Secretary **Herter**. We do not know. Until Geisler and a few people in East Germany started saying this was a provocation, it had not occurred to anybody that it would be. But the decision has now been made. They are going to hold it there on the first of July, and there may be some trouble. But Kozlov will be coming to New York at that time to open the Fair and Dick Nixon will be going to visit Moscow. I have a hunch they are not going to stir up any more troubles unless those two things are out of the way; then they can help. They are setting great store by these two visits.

Senator **Gore**. Mr. Secretary, you said that you thought they wanted to have a summit conference.

THE DESIRABILITY OF A SUMMIT CONFERENCE

Why do we presume that? Is that well-founded?

Secretary **Herter**. Oh, yes. It is more than well-founded, in that Khrushchev has mentioned it a number of times. In fact, you may recall when the exchange of notes began to take place after the November blast, their first blast on this Berlin situation, he showed utter reasonableness by suggesting that they have a summit conference and discuss it.

At that time, you will remember, there were a number of exchanges back and forth.

We suggested that more than the question of the Berlin peace treaty be discussed; and that the whole German problem be discussed.

We also suggested there be a preliminary meeting of Foreign Ministers to prepare the way and to see what progress could have been made that would justify a summit conference. They had suggested the summit in the first instance.

Senator **Gore**. It was not many months ago that Khrushchev was once again talking about summit conferences, but finally he seemed not to want it.

Secretary **Herter**. I still think he wants it.

Senator **Gore**. You think he does want it?

Secretary **Herter**. Yes, I think it is just a question of what price he has to pay for it and if he has to pay a price for it.

Senator **Gore**. I have had the same feeling, but I began to wonder if he really wanted it, or whether we were being deluded into thinking he apparently desired it.

Secretary **Herter**. My personal impression is that he thinks he may be able to threaten us into a summit.

Senator **Gore**. All right.

If that is settled, why does he place such great store on a summit conference? Why does he desire it?

Secretary **Herter**. I think it is his own vanity.

Senator **Gore**. Vanity?

Secretary **Herter**. Yes.

Senator **Gore**. Vanity. It must be something more than vanity.

Secretary **Herter**. I think he wants terribly to be a member of the club.

The British who talked to him would confirm that 100 percent; Macmillan would, and so would Selwyn Lloyd, who were there.

But he wants most to build himself up internally from the point of view of his foreign relationships and, second, he wants to be the fellow who makes the big decisions; whether he is the man who perpetuated peace, whether he is the man who built the 7-year plan for economic purposes, he wants to be sitting down at a board with the other "big shots" on the basis of equality.

Senator GORE. You mean he is just as human as other men?

Secretary HERTER. I think every bit.

Senator GORE. Thank you.

A CERTAIN AMOUNT OF PRESTIGE

Senator SPARKMAN. It really goes beyond that, does it not? Does it not tie into his power and the power of Russia in world affairs? In other words, if he is able to get into this club, then is not the government he represents likewise taken into the club? It creates a certain amount of prestige, does it not?

Secretary HERTER. No question about it.

Senator SPARKMAN. Not only for him personally, but for his government, his country.

Secretary HERTER. Yes, for the uncommitted nations around the world.

Senator SPARKMAN. Yes.

So I do not think it is just one of vanity. I think it ties in with the power of his country.

Senator GORE. I am not in position to——

Secretary HERTER. This is just speculation. Nobody really knows what goes on inside his mind. All you can do is make a guess.

Senator GORE. I am certainly not in position to counter your judgment and view, but I am not yet entirely convinced that this is all that is involved.

There must be something more than vanity. There must be some long-term strategy that he has in mind if, indeed, he does desire a summit conference as much as we think he does.

Senator LAUSCHE. Mr. Herter, didn't he come out victorious out of the last conference? The nations that were with us began to doubt whether we were with them, and may it be he hopes that from this will emanate the same type of disturbance among our Allies?

Senator GORE. Possibly.

Secretary HERTER. He might, yes.

Senator MORSE. I certainly am appreciative of what the Secretary has given us.

The CHAIRMAN. Mr. Secretary, that is a vote. I wish to apologize for my being late. I had a meeting down at the White House. It is very difficult to get out of that place once you get down there. [Laughter.]

Senator GORE. It is more difficult to get in. [Laughter.]

The CHAIRMAN. I very much appreciate your coming.

We have to vote. It is late, and we had better let you go, but we appreciate very much your being with us.

[Whereupon, at 5:45 p.m., the committee adjourned.]

MINUTES

TUESDAY, JUNE 30, 1959

United States Senate,
Subcommittee on African Affairs of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 4 p.m. in room F–63, Capitol.

Present: Chairman Kennedy, Senators Green, Lausche, and Wiley. Senator Morse was also present.

The subcommittee heard Joseph Satterthwaite, Assistant Secretary for African Affairs, report on his recent trip to Africa.

No transcript of the meeting was kept.

MINUTES

TUESDAY, JUNE 30, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:37 a.m. in room F-53, Capitol.

Present: Chairman Fulbright, Senators Green, Mansfield, Morse, Lausche, Wiley, and Aiken. Senator Capehart attended later.

Senator Lausche moved that the nomination of Bernard Gufler to be Ambassador to Ceylon be reported favorably. It was agreed to unanimously.

Senator Wiley moved, seconded by Senator Morse, that the nomination of G. Lewis Jones to be Assistant Secretary of State for Near Eastern Affairs be reported favorably, and it was agreed to unanimously.

The committee next considered S. 1928, To provide for the participation of the United States in the Inter-American Development Bank. The bill was amended, and on motion of Senator Mansfield, seconded by Senators Morse and Aiken, the committee voted unanimously by voice vote to report said measure favorably.

Consideration of S. 706, To amend sec. 303 of the International Claims Act of 1949, as amended, was put off until next week at the request of Senator Morse, and pending distribution of a memorandum on its provisions to the Members.

The committee then proceeded to S. 2135, To promote the foreign relations of the United States by providing for the establishment of a center for cultural and technical interchange between the East and West in Hawaii. After discussion, and on motion of Senator Aiken, seconded by Senator Morse, the bill, as amended, was ordered reported favorably on unanimous voice vote. Senator Aiken announced that Senator Carlson would have been in favor of the bill had he been present.

Graham Parsons, Assistant Secretary of State for Far Eastern Affairs, then briefed the committee on grants of aid to Burma.

For record of proceedings, see the official transcript.

[Following his presentation, the committee adjourned at 12:15 p.m.]

BRIEFING ON THE SOVIET UNION

FRIDAY, JULY 10, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, at 4:30 p.m., in the committee room, room F-53, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Sparkman, Morse, Long, Hickenlooper, Langer, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. Henderson, of the committee staff.

STATEMENT OF HONORABLE W. AVERELL HARRIMAN

The CHAIRMAN. We are very fortunate today to have the former Governor, Ambassador and Secretary Averell Harriman—which is the title you prefer? Ambassador, Governor, journalist?

[Discussion off the record.]

The CHAIRMAN. Governor, we are very pleased to have you here, and the stage is yours, so will you proceed and tell us your experiences in Russia?

Mr. HARRIMAN. Well, may I ask two questions?

First, how executive is this? Is it for the time being?

The CHAIRMAN. The record is made here and without the approval of the committee, which it certainly wouldn't be given without your approval; it will not be made public.

Mr. HARRIMAN. I probably won't say very much that isn't, but I will be a little more careful.

The CHAIRMAN. If there is anything you don't want on this record because of its personal character, we will take it off. It won't even be on this record.

Mr. HARRIMAN. Yes.

Another thing; how much time would you want to spend on it?

The CHAIRMAN. Normally about an hour; whatever suits you.

Mr. HARRIMAN. I will make it brief, and then perhaps it will encourage someone to ask some questions.

The CHAIRMAN. Fine.

Mr. HARRIMAN. I went to the Soviet Union because I hadn't been there since 1946 when I left as Ambassador. I wanted to see it again, see what had happened, although I had kept pretty close touch with developments by talking to people that I knew who had been there, and following reports.

I traveled about 17,000 or 18,000 miles, spent 6 weeks, and saw a good part of the country. I talked to a great many people—government officials, scientists, university professors, school teachers, farmers, engineers, and executives, as well as a number of workers.

I was treated very cordially by everybody. I think any American who goes to Russia will be well treated. They like Americans. Their propaganda against us has been rather stern, but we have been held up as the people to catch up with.

The CHAIRMAN. Did they boo you any place?

Mr. HARRIMAN. No, they didn't. Also, as I had been built up during the war it suited their convenience to build up the American Ambassador. Some of them had seen me, and they all wanted peace and they craved to get back to a friendly relationship with the United States, as we had during the war.

SOVIET DESIRE FOR PEACE

Unfortunately, everybody talks to you about peace. It is very much on their minds. They have been told there is danger of war, and they wanted to talk about it.

Any indication which I gave them that the American people were just as anxious, which I did at every turn, was put on the radio, at almost every place I went. I told them the American people were just as anxious as they for peace.

Senator HICKENLOOPER. Did it get out to the people, though?

Mr. HARRIMAN. Yes—well, I think the radio did.

Senator HICKENLOOPER. We have had some reports of people going on the radio but it didn't get out of the studio.

Mr. HARRIMAN. Well, it may not have gone out, but I got some reports that I had been heard, so some of it got out.

Senator GREEN. Do you speak Russian?

Mr. HARRIMAN. No, I don't speak Russian, but it was translated. I had a press conference at which I said certain things which did not appear in the press. But in any event, the people have been led to believe that all we had to do was to accept the very generous proposals made by the man they call Nikita Sergevitch, who is Khrushchev, and everything will be all right. It is almost exactly the reverse in their minds.

We, the average people in the United States, are convinced that the Russians are fine and friendly people, but it is the Kremlin which has been causing the trouble.

They have been sold this bill of goods, and I attempted to get it out of their mind as best I could, but it is a very serious question.

Senator CAPEHART. Will you state that again?

Mr. HARRIMAN. They think that if we accepted the very generous proposals which——

Senator CAPEHART. Which Khrushchev——

Mr. HARRIMAN. They call him Nikita Sergevitch; that is his first name. They like him and call him by his first name. If we would accept those, everything would be all right.

Senator CAPEHART. Yes.

Mr. HARRIMAN. I think any propaganda, any information we can get to the Russian people to raise doubts in their minds about the correctness of that statement is very important.

Senator CAPEHART. Your observation is the same as mine was when I was there, up to this point.

Mr. HARRIMAN. Americans who traveled around told me that some of the Russians they talked to had doubts about that, but I didn't find any. Anyway, I think one of the most important things we have to do, if we can get to them, is to educate them on that score.

Incidentally, while we are talking about propaganda, they are running our fair down. You may have noticed in the American press that they said the house that is being shown is a Taj Mahal to ordinary Russians. They are evidently afraid of the coming fair, and I think they have a right to be, because it will show a standard of living which is far beyond anything which they have even dreamt of. I think the fair is a very important thing to hold even though the press may say that it is not in accordance with American standards. I am satisfied that the hundreds of thousands of people who go to it will believe it.

I said everywhere it is an honest fair, that nothing would be more foolish for us than to show something which wasn't true.

Senator GREEN. What is this house supposed to be worth in figures?

Mr. HARRIMAN. I can't remember.

The CHAIRMAN. Roughly $14,000; isn't that right, John?

Senator SPARKMAN. I think so; $14,500.

Mr. HARRIMAN. It is supposed to be a house that can be acquired by a family that earns $5,200 a year, which applies to more than half our families.

INDICATIONS OF PROGRESS

I found that they had made extraordinary progress since I was there during the war. I left Russia when most of the cities, the western parts of Russia, were largely destroyed. They have rebuilt them, and the factories are running again and are producing pretty good stuff.

Their efficiency is not high by our standards, but the end product is serviceable equipment; and as we know, some of the military equipment is of a very high standard.

I was impressed everywhere I could go. I talked to their Academy of Sciences which does all their research. They keep their Academy of Sciences away from the university, away from their teaching, although some of the Academy of Sciences faculty teach 2 or 3 hours a week.

It is in the Academy of Sciences that they do their abstract research work and deal with the particular problems that arise in either agriculture or geological surveys, and I was very much impressed with the quality of their scientific work.

I was not impressed with the quality of their economic work. I had quite a long argument with three economists. They thought that we were going to expand our economy only 2 percent per year, which isn't much, over our increase in population. They thought our economy was stagnant.

Senator GREEN. What degree of illiteracy is there?

Mr. HARRIMAN. There is practically none. They have eliminated illiteracy. Practically all of the youngsters have 7 years of school. In most of the larger cities they have 10 years of school, but in the country they still have a good many children limited to 7 years.

But on the economic side, I told Mr. Khrushchev that he ought to fire his economists if he wanted to get accurate information rather than one that was colored by their Communist dogma. He and Mikoyan disputed that very much. He said we didn't understand. We had a rather interesting argument on that score.

But in the natural sciences, I was very much impressed with their work.

AGRICULTURAL PROGRESS

I saw the virgin lands, where they are plowing some of the steppes.

The **CHAIRMAN**. Siberia.

Mr. **HARRIMAN**. In Siberia, Northern Kazakhstan—they come together just east of the Urals there.

The **CHAIRMAN**. Yes.

Mr. **HARRIMAN**. And I was very much impressed with the care with which they were conducting that operation.

My guess would be they will make a success of it. Khrushchev is quite boastful about the success, but they have very carefully surveyed the land that they thought could be cultivated. They haven't plowed the more sandy soils and some of the area that was questionable. They plowed a hundred yards of soil and then left a hundred yards of grass, and they have improved the grass. They are very careful to retain the snow. They plow snow in the winter. The scoop goes along and brings it down into hard-packed ridges. You know in Kansas, the winds come along and the snow is blown away. Well, they are making great efforts.

In any event, it is still to be seen, but my impression is they will make a success of it.

They have been careful to know the mistakes made in our dust bowl, and also in areas in Canada which are somewhat similar.

They are plowing a great deal of the old wheat lands, planting new wheat and corn.

I think in the last few years they have increased their corn acreage from 10 to 12 million acres, to something like 50 million acres.

That was the statement of Matskevich, who is the Minister of Agriculture, and I have no reason to believe it isn't true.

INADEQUACY OF CONSUMER GOODS

They are trying to increase their meat and dairy products, which are in short supply.

Nobody in Russia is hungry, but their diet is limited to some of the——

The **CHAIRMAN**. Cabbage?

Mr. **HARRIMAN**. Bread and cabbage and potatoes, and they have quite a bit of trouble.

When I left, the women were limited to rather rough clothing, but now the women in the streets are reasonably well dressed and attempt to keep themselves well-looking.

The stores are much fuller, of course, than they used to be. They haven't the selection that we would expect; they have to buy what is available. But they can buy reasonably attractive clothing.

They have to stand in line for some things like shoes.

Furniture is in short supply, and they have to stand in line for that. They can't buy the furniture they want, but have to buy what is available.

The women have a struggle to buy the food they need, because to buy some things like milk, they have to stand in line sometimes; they have no refrigerators in their houses for meat, so they have to do their shopping rather often.

My impression was that almost all the women worked in factories, in laboratories or in offices. They reserved some of the hard work for the women who worked on the roads. But by and large, in the factories they gave them the lighter work.

It is a pretty tough life for a woman because she is married and has to take her children to the day nurseries or the school and then come back and pick them up, and she has to do the shopping and the cooking. Their facilities are very limited.

Any time there was a shortage of labor I found my observation was not true. They are shortening hours of work from 46 to 41 in most of their industries, and I said, "Why don't you let them work 46 and give them more consumer goods?"

It seems as if the people are tired from the effort they put into the work.

Senator GREEN. How young do the children go to work?

Mr. HARRIMAN. They go to work at 15, at the youngest.

Senator GREEN. Is it against the law below that?

PROGRAM FOR SOVIET CHILDREN

Mr. HARRIMAN. They have to stay in school for 7 years at least, and they don't go until they are 7, so that carries them to 15. They work in the fields, in the summertime, during the vacation period, picking berries and that sort of thing.

They are changing their educational system and nobody quite knows how it is going to work. They are going to increase the minimum period from 7 to 8 years, and then the high school goes up to 11 years. Some children are going to be permitted to go for 11 years, but they are going to spend one-third of those last 3 years in some productive activity working in the factory, on the farm or in the laboratories, and then in their college years they will have to spend 2 years at work in their college or university.

They seem determined that the young people not become soft. They want them to know how to work with their hands before they become thoroughly trained and would rise above such grimy work.

They haven't put that system into effect yet, but it is going in next year for the newer classes.

SOVIET NATURAL RESOURCES

They have enormous resources. I talked to scientists about it, and I saw for myself two iron mines, open cast mines, which they were developing. They showed me the charts which I have no reason to believe were not true. They had a billion and a half tons reserved in these two shafts; that was also Northern Kazakhstan just to the east of the Ural Mountains.

They expect to get about 25 million tons per year production out of that, and then they expect to open up two more mines in another 5 or 6 years; and eventually, they told me, they were going to get 83 million tons out of those mines in that area.

Iron ore had been one of the things they had been short of, I understood; but they spotted these deposits from airplanes and have been developing, I think, rather skillfully.

I am not an expert on open cast operations, and haven't been to the iron range for some years; whether it is as efficient as ours, I wouldn't know, but it is a good operation.

The roads are good. They had up to 25-ton trucks, moving along at 40 or 45 miles an hour. It was a well-organized operation, and that seem to be one of the ways they are going to increase their iron ore supply to take care of the increased production.

BURGEONING INDUSTRY

I saw a steel mill coming into operation not very far away. It will produce about 3,200,000 tons of sheets; that was one of the new steel mills they are developing. Their program for steel expansion has a high priority.

I gathered that the steel mills are pretty efficient operations, and they turn out a reasonable quality of steel.

Their power is being expanded. They now have about a third the amount of power that we have, about 48 million kilowatts to our 150 million.

The CHAIRMAN. Is this hydro power?

Mr. HARRIMAN. No, total power. I got these figures from one of our power engineers who had been there.

They are doubling their power plants every 5 years; we are doubling every 10 years, so it will be a long time before they catch up to us.

They are not putting as much emphasis on hydro power as they are on thermal power now because they are beginning to be more capitalist in their thinking. They are beginning to charge depreciation and they don't call it interest, but they are giving consideration to what they call "capital turnover." That is a technical term which they apply.

I did see the biggest power development in the world at this place in Central Siberia a couple of hundred miles north of Lake Baykal. It is going to develop over 4 million kilowatts, whereas Grand Coulee is about a million.

Senator GREEN. This is hydro?

Mr. HARRIMAN. This is hydro. It is only coming into completion. They have some plans for development of hydro, but their big emphasis is going to be on thermal.

They have many deposits of natural gas. They are going to use natural gas and open up some new coal.

They are quite advanced on power transmission. I was told by some of our people here that they have gone a little further than we have in high-power, long-range transmission because their distances are so great and they have to do it.

They are moving a lot of their industry out. I saw no evidence of civilian defense, as we would assess it, but they are evidently doing a great deal to disperse their industry out to Siberia, and it is hard to know why they are moving out so far unless it is to have their industry dispersed.

Now, the outlook for a continued development of the Soviet Union as it has been going on since the end of the war, is probably what we must look forward to. In other words, increasing production, but with the emphasis still on heavy industry, and a minimum going to improvement of the standard of living of the people.

HOUSING IN THE SOVIET UNION

In square feet of living space, they are building three times as many houses as they did a few years ago. That is a change from the Stalin regime, but the quality of house is very poor, very shoddy, and far below anything that we would build for our lowest-income families.

Senator AIKEN. Are you speaking of flats or individual houses?

Mr. HARRIMAN. Where I went, about 25 percent are private houses.

Senator AIKEN. Built with loans from the government?

Mr. HARRIMAN. Built partially by loans from the government.

Senator AIKEN. Mr. Kozlov put emphasis on that.

Mr. HARRIMAN. They are encouraging private initiative in this field, and the people seem to want to have their own house. There seems to be a desire for privacy and individuality.

These new apartments are great hunks of concrete; everything is concrete. I felt that concrete was in my soul before I got through; some of them resented it, and they want to have their little houses. They are pathetically small. I shouldn't say "pathetically small," but they are very modest in size. They have carving over the windows and doors, and brightly painted red and blue shutters. It indicates that they haven't created a collective man by a long shot; they have individuality.

Senator CAPEHART. Is a house 600, 700 square feet?

Mr. HARRIMAN. Yes. It is very small.

Their plumbing is rather simple, too.

But I think we can look forward to an increasing strength. Khrushchev in his talk with me spoke of the fact that within the 7-year plan they would be as strong as the United States.

What their measure of that is, I do not know, but it is largely in terms of steel and heavy industry. He says that within so many years their standard of living is going to be as high as ours. He has not specified the time, but I would not take that very seriously because they have not put the horses on the race track yet.

I said, "Why don't you mechanize the kitchen? You have mechanized the farm and the factories." They dodged that question.

But I think as they get more, there will be a greater demand, and I have some hope that that demand will have some influence.

EASING OF TENSION AND FEAR

It is my impression that there is considerably more relaxation. I do not quite call it freedom, because there is not the same freedom that we have, but more relaxation. There isn't a knock on the door at midnight that the people feared. There isn't the fear that existed.

When I was there as Ambassador, the Kremlin was afraid of the people and the people were afraid of the Kremlin. Now they have opened the Kremlin and the children play in the Kremlin gardens. That is indicative of a different spirit.

My impression is that the top people have agreed that there is not going to be any more rough stuff. Some of them are getting to be demoted, but they are not going to shoot people or send them to Siberia.

Senator CAPEHART. Are there still dozens or groups of from 10 up to 200 people visiting Moscow every day from all over the East and Russia?

Mr. Harriman. And in other cities. They come in from the country to see the other cities. I went to a good many other cities.

I believe that as people get more independence, more freedom, they demand more. But at the same time, I was impressed with the fact that they were going to get the students to work before they got too many fancy ideas.

Senator Capehart. Are they critical of their government?

Mr. Harriman. I did not find it so, but I would not be in a position to know. Off the record.

[Discussion off the record.]

PRIVATE OWNERSHIP OF PROPERTY

Senator Hickenlooper. Governor, you talked about the individual houses being built by loans. Who owns the land? Is there such a thing as a fee simple title?

Mr. Harriman. The government owns the land, but I asked every place I went and I got the same answer: The individual owns the house, can sell it if he wants to, can leave it to his children.

Senator Hickenlooper. With or without government permission?

Mr. Harriman. No, I was told he could do that. I think he has to get permission to buy a house; they probably regulate it. But if the government takes the house over, it is taken over at cost less depreciation.

In other words, if the government wants the land back to build an apartment house or park or something else, the government can preempt the land again and will pay the individual family the money they have invested in it, less depreciation.

I am inclined to believe that is true. Everybody believes it is true. They might change the rules in the future.

Senator Capehart. I was told that the government holds title to the land.

Mr. Harriman. That is right.

Senator Capehart. And they can sell it with the government's permission, or they could leave it to whomever they wish, with the govment's permission.

Mr. Harriman. Yes, I think you are right. I think they have to do that.

Senator Capehart. Let me say this to you: I was there, and your observations and mine are almost 100 percent the same up to this point.

Did you find what I thought I found—and I am sure I did—namely, that they are developing a third category of people over there who are a class unto themselves? They are the ones who are permitted to build these houses; they are the scientists, doctors and people who can do things well on their own accord, and are paid quite large salaries and compensation.

Mr. Harriman. They are paying the scientists and certain categories of people—teachers and otherwise—very large salaries. The top engineers and management are paid very large salaries. But the peasants are building their own houses. The houses are not limited.

I found largely that the better off, the more well-to-do people had an apartment in the city, what they called a dacha in the country, and a car to drive between the two. A dacha, you know, is a country cottage.

I asked one fellow where he preferred to live, in the country or in the city, and he said, "Oh, I have both. I have an apartment in the city when it is cold in the winter, and I find it more convenient in a dacha in the summer."

EMPHASIS ON EDUCATION

There is a distinct upper class in the economic realm; and one of the problems Mr. Khrushchev talks about is that this upper class expects their children to have the special perquisites. He opposes that, and that is why they are toughening up education, because it was this class which had the first run on the universities. And, incidentally, they are having a problem keeping pace with the increased numbers of youngsters who want to go to the university, and they are developing what they call correspondence courses.

Did you run across that? About 40 percent now—and they expect to bring it up to 50 percent—of the youngsters get their college education by either correspondence courses or night school, mostly correspondence courses. They have it very well worked out and they give the same degree.

Education is a very high priority in the Soviet Union, as you well know.

AN EMERGENCE OF "CLASSES"?

Senator CAPEHART. I came away with an impression about this third category of people—the first being the people, and the second category being those who belong to the Communist Party, and the third category being the scientists, the engineers and the designers and the people who can do things individually well—that they were getting away from communism through this third category to a degree, in that they were a class by themselves, drawing fairly large salaries, and most or part of that class have automobiles. They would be the class which would have them if anybody had them, and they were a class unto themselves.

Mr. HARRIMAN. The economic scheme of things goes up; and as it goes up they pay the more skilled labor higher salaries, and they pay the better trained people more. The scale comes from the minimum on up to the highest category in all categories.

Senator CAPEHART. They are compensating the fellow who can do things well——

Mr. HARRIMAN. That is right.

Senator CAPEHART [continuing]. Whether it be a carpenter, a doctor, a lawyer, a candlestick maker, the fellow who can run 100 yards faster than anybody else, the best scientist or the best farmer, anybody who can do things well.

Mr. HARRIMAN. That is right.

Senator CAPEHART. He sort of lands in this third category.

The CHAIRMAN. You mean they do not believe everybody is equal?

Mr. HARRIMAN. I would not call it a third category. It starts from the bottom and goes on up. There is no real class.

Senator CAPEHART. I call it that for lack of a better name.

Mr. HARRIMAN. Then I found that almost all the women work, even in the upper category, but in the lower income groups they have to have two incomes in order to get by. A man and his wife have to work.

I do not know whether you want to talk any more about that. I think we look forward to an increasingly strong Soviet Union. I saw no indication at the top, which I had hoped for, that this was Russia for the Russians. This is still Russia as a base for Communist revolution around the world.

I hope we will get to a point—I do not know whether I will live that long—where it will be Russia for the Russians.

KHRUSHCHEV'S LEADERSHIP

I have had talks with many people both in the government in Moscow and in different "republics," as they call them. I had a very long talk with Mr. Khrushchev. Some of that has come out in articles that I have written; some of it has come out in garbled form, unauthorized.

I would be glad to go into that in any way you want; or, if you want to buy Life magazine, you will find a rather detailed account of what I have said.

Senator **Capehart**. How rough or tough is he?

Mr. **Harriman**. He was intermittently rough and then rather genial. I, of course, told him that I did not believe he was threatening us; and that I had seen too many developments in which he was interested in the Soviet Union.

He is right on top of the job. He knows exactly what is going on. He is the driving force in the expansion of industry and agriculture. And I said, "You are not going to risk all that for the sake of anything else." Then he would begin talking about other developments.

But he was pretty blunt, as you see from what I wrote. He thinks a state of war with Germany is an anachronism. We have made our relations with the West German Government one of close alliance. Our rights in West Berlin are based on that wartime condition, and he is going to see that it stops. And if we do not agree to it, he is going to make a separate peace with East Germany.

It is perfectly obvious that he is ready to negotiate, but he thinks he has the better part of the trading, and he is going to try to negotiate it out on his terms as far as he can.

On the other hand, it was perfectly obvious that a great deal of what he said is a bluff, as an actor. At the same time, I think it is important that we continue to negotiate with him and to arrive at an understanding as to the permanent protection of the 2 million people who are dependent upon us for their security.

I made it very plain to him that the whole country was behind the President, and that there were no politics in this; Democrats as well as Republicans were behind the President.

He made a rather interesting remark to me. He said, "I know the leaders are, but the workers are not." And he seemed to know more about the opinion of the workers.

He does not think that our political system gives the workers any voice in government. That goes for both parties—not just the Republican Party, but the Democrats as well.

But he is a very self-confident, boastful individual. At the same time, he is quite convinced—which is good, I think, from our standpoint—that the Communist philosophy is the higher form of social organization, that capitalism must give way, and that sooner or later the great success which the Soviet Union is going to have is going to compel other countries to follow their example. If he thinks that, that is all to the good.

THE CHURCH AND RELIGION

Senator GREEN. What is the attitude of the Russian Church toward communism?

Mr. HARRIMAN. I did not talk to any of the Russian prelates. I did talk to the Deputy Mueller in Tashkent. and he seemed to follow the Communist line pretty thoroughly. He did not seem to be out of step with the Communist line.

Senator Green. In general, has the church a strong hold on the members?

Mr. HARRIMAN. I can tell you only that a good many of the churches are open, and that the churches are well filled at their services. Of course, the church is not permitted to educate the children, and a great many of the people are older. But I was also surprised to find considerable numbers of younger people at the church services I went to.

But I cannot appraise what hold it has on them. There seems to be a greater sense of security on the part of the regime than there was when I was there before, and they seem to tolerate religion as being not too dangerous at present. But any Communist I talked to talks about religion with great contempt. They are rather contemptuous of the people who still believe in that kind of emotion.

Senator SPARKMAN. Did you feel there was a holding on? I got that impression.

Mr. HARRIMAN. I think it is very strong. The people I saw in the churches were very devout, earnest and sincere, and I thought there was a very strong religious emotion on the part of those people.

Senator SPARKMAN. Even those who profess not to cling to any religious faith somehow or other impressed me that they show off the old churches and shrines and everything with a great deal of pride. I do not know; it just seems to me they still hold onto it.

Mr. HARRIMAN. It is very hard to appraise. I think basically the Russian people always were highly religious. There is no doubt it has a certain influence, but they do not seem to be worried about it. When I was there, there was a danger in going to church. Some of the people who went to church were watched very carefully.

Today they go to church without any fear. That was my impression.

Senator GREEN. Are the foreign missionaries making any progress?

Mr. HARRIMAN. I did not have a chance to talk to them. I was on the run so much that I did not have a chance to see them.

Senator HICKENLOOPER. Do they have any foreign missionaries?

Mr. HARRIMAN. We haven't any. There are some Baptist churches there.

The CHAIRMAN. You said you had a distinct feeling that the Kremlin is still the world center of international communism. Do you feel that they are intent upon an active program of proselytizing and converting these underdeveloped countries?

Mr. HARRIMAN. Yes, very definitely.

COMMUNIST PENETRATION INTO OTHER COUNTRIES

The CHAIRMAN. Do you think they will increase the inflow of their penetration into places like Egypt, Ghana, Guinea, Dahomey, and Nigeria, and all that area?

Mr. **Harriman**. Mr. Khrushchev said that revolutions within the country were up to the workers in that country to decide for themselves, and he maintained that they were letting the forces of competition between our two systems decide.

But my impression was that they were very active in stimulating Communist Parties throughout the world wherever there was an opportunity to further their activity.

The **Chairman**. Do you think that so far as our policy is concerned, it is important to have an effective foreign aid program and mutual assistance program?

Mr. **Harriman**. I think the outlook would be very dangerous if we did not have a sound, effective foreign policy of assisting the underdeveloped countries to assist themselves in freedom. Perhaps you will remember I was in India last winter. It is a key country. I think with our help and the help of other Western countries, these countries will be able to deal with their economic and social problems in a way to preserve freedom.

But if we were to fail to take our part in it, I would be very much concerned that communism gradually would take over these countries, one by one.

The **Chairman**. I was told today at lunch that the Russians in Ghana are leasing an embassy for a group of people, more than what that country warrants. Obviously they have ideas that there is a great deal of general activity in that area.

Mr. **Harriman**. Some years ago they had enormous missions in Cuba and in Mexico to spread the word. Wherever they get a chance, of course they do have very large missions, and undoubtedly use them to spread the Communist doctrine.

The **Chairman**. They usually would be willing to spend money on this.

Mr. **Harriman**. In terms of that activity, very large sums of money. They are not spending as much money in actually helping the countries economically as we are, because they are not interested in economic success. They want to undermine the regimes.

Senator **Capehart**. Governor, what do they want us to do? What can we do to get along with them?

Mr. **Harriman**. With the Russians?

Senator **Capehart**. Yes. What, in your opinion, do they really want?

Mr. **Harriman**. They would like to have us leave them alone, go back to Fortress America or isolationism, or whatever you want to call it, and leave them alone in the world.

Senator **Capehart**. In other words, let them sell their kind of government.

Mr. **Harriman**. Sure.

Senator **Capehart**. Without any competition from us.

Mr. **Harriman**. They would like to force us out of Western Berlin, and strengthen the East Germans. They would like to see us break up NATO and abandon our interest in Europe.

Senator **Capehart**. Do you feel there is no compromise with them, or do you think there is a point at which they would compromise?

Mr. **Harriman**. They would like to have what they call peaceful coexistence; I have called it competitive coexistence. But that means they would like to have us leave them alone, and then their revolution will take over.

There is no such thing as a relaxation so far as they are concerned. I have not changed in this since 1945. I think they consider this a struggle to the end, and the end will be Communist revolution.

Khrushchev said very bluntly, "We have made so much money out of World War I and World War II that we were able to bribe our workers with high pay, but that won't last very long. Sooner or later they will rise against you and throw over the present regime. Capitalism must give way."

They are convinced of that, in my opinion, but they think it is their job to push it along.

Khrushchev is 65 years old. That is not very old; I am 67. But he wants to see some of this during his own lifetime. So he wants to push it along, and wherever he sees a weakness, he will make things difficult. I think we can look forward to continuing tensions.

It was my very strong impression that he does not want war. But he is ready to play the full strength of his hand, and my concern is that he might overplay it, as I thought Stalin overplayed his in Korea. That was a miscalculation. I would not have done it.

So I think it is very important for us to make clear our positions. But in addition to that, I think that he is really anxious to curtail his military expenditures. He is finding them a great drain. They appear to be expending about the same amount of effort as we are, which is with a gross national product less than half ours. Therefore, it is a very heavy load. And it was my impression that it wasn't bluff, that he really would like to find some way to work on control of nuclear development and end testing, and work toward a reduction of military expenditures so that he could reduce his expenditures.

[Discussion off the record.]

KHRUSHCHEV AS STATESMAN

Mr. HARRIMAN. He still has a very high respect for Mr. Roosevelt, and he thinks that Stalin had confidence in Mr. Roosevelt.

And I said I would put it a different way; I thought Stalin was a little afraid of Mr. Roosevelt because of Mr. Roosevelt's voice in international affairs. When he died, the Russians wept on the streets. They had lost a friend.

And, whether you are Democrat or Republican, I think you would have to agree that Mr. Roosevelt had a great ability to transpose his personality and friendliness to people, and Stalin was afraid of that. He knew this was not written in the book. He was somewhat afraid of it.

Stalin was a less dogmatic Communist. Stalin was the fellow who was making the rules. I think he thought that he would go down in history; this was Marxism, Leninism, and Stalinism. He thought he was on a par with Lenin, whereas Mr. Khrushchev gives me the feeling he is a disciple; and sometimes the disciple is more vigorous in his faith than the master.

Stalin never gave me the Communist Party line. He always said, "This we are going to do, and this we will not." It seemed to me he was a different character.

The CHAIRMAN. How is Khrushchev's health? Is it good?

Mr. HARRIMAN. He took me out into the country for dinner, and to a dacha which he used to entertain, and he walked down to the Moscow River and back up the hill. I walk rather fast. He walked as fast as I wanted to walk, and he didn't puff or blow. He is not fat, but he is rather stout.

At dinner he ate everything, but there was not too much of it.

The CHAIRMAN. Did he drink any, or did he quit drinking?

Mr. HARRIMAN. Yes; he stuck largely to Armenian brandy.

The CHAIRMAN. No vodka?

Mr. HARRIMAN. No vodka. He did not drink to excess; he wasn't in any way intoxicated. But he seemed to enjoy it.

I saw him alone at his office, but at dinner Mikoyan and Kozlov and Gromyko were present. I had Charles Thayer, who acted as my interpreter. He used to be a Foreign Service officer. And he had Troyanovsky, who did the interpreting for Mikoyan.

The CHAIRMAN. He is much better than the one Kozlov had.

Mr. HARRIMAN. He is wonderful. He is extremely capable, completely bilingual. He is the only fellow I ever have known who is bilingual. Some are French and English. This fellow is bilingual in Russian and English in a way I have never seen.

Senator CAPEHART. Are they looking forward to Nixon's visit?

Mr. HARRIMAN. Yes. I saw the Vice President this morning, and he asked me a few questions about it. I think his visit is very important, and it is a great opportunity to tell Mr. Khrushchev about certain misconceptions he has about American life. It is very important that he be informed.

I think it is a good thing to have him come over here, and a meeting at the summit was very important. He is the fellow who is calling the signals in foreign affairs, and he made that very plain. And my guess is that we will not get too far in any agreements except on the summit level. He wants to hear it himself; I don't think he trusts anybody to report to him.

It is important to have him come here so that he can really see for himself. I do not believe any of the people report completely accurately. It is very hard in any group for a man to come back and tell people what they do not want to know, and it is trebly difficult in the Soviet Union. So I do not think Mikoyan even told him.

If you have lived your life in Russia, you cannot understand American life unless you come here and see it; you do not really understand it.

The CHAIRMAN. I cannot understand a lot of it right here, especially the Senate. It is beyond me. [Laughter]

Mr. HARRIMAN. That is true. That is one thing Churchill once told me. I made a comment about British politics, and he looked at me very sternly and said, "No man has ever understood the politics of another country. Few men have been so gifted as to understand the politics of their own."

Senator GREEN. Do you think they had the same attitude toward you?

Mr. HARRIMAN. No. This was Winston Churchill who told me that during the war, in England.

So I think I agree with you, Mr. Chairman. It is hard to understand the politics here.

The **Chairman**. What is your advice to this committee? You have a good example. We do not have to ask you. You tell us what you think.

DEVELOPMENT LOAN FUND PROGRAM

Mr. **Harriman**. I was very much disappointed that your idea of our having a 5-year program of the Development Loan Fund was not accepted. I hope you will go back and pass that next year.

So far as I am concerned, I do not care whether it is front-door or back-door financing. I think it is vitally important that we are able to let these countries plan ahead.

It is more than wasteful to plan on a year-to-year basis. It is almost impossible to develop any programs of any real meaning without a 5-year program. So I want to commend you, sir.

Senator **Langer**. Why 5 years, Governor? Why not 10, 20, 30, or 40?

Mr. **Harriman**. Well, 5 years seems to be the period that people are planning. It is about the time that it takes to conceive and to develop a big power plant.

Senator **Langer**. Mr. Dillon is for a period much longer than 5 years.

Mr. **Harriman**. Is he? Let's see how 5 years works. I have no complaint with 5 years. I think, by and large, 5 years is about the period it takes to conceive and give birth and mature an operation.

Senator **Capehart**. You are thinking in terms of continuity.

Mr. **Harriman**. Yes.

In India's case, they are going to have a 5-year plan, and if they do not know what they can get, it will be difficult to develop their planning.

I also think, Mr. Chairman, that we ought to cooperate more in this field with the Western industrial countries—Western Europe and Japan—and we ought to devise ways in which we can do some of this development work cooperatively.

There is a considerable amount of capital in Western Europe and Japan which they can lend that will help carry the load. Then it gets away from any thought that we are doing this for imperialistic reasons if it is done according to Senator Monroney's idea, which I think basically, with some changes, is a good idea. I would sponsor that.

I understand Mr. Black is going to propose——

The **Chairman**. They are trying to work that out.

Mr. **Harriman**. They are trying to work something out. I would seriously commend the proposal Mr. Black is going to make. It is not overly ambitious, but it is a billion-dollar corporation, and I think there is a real advantage in terms of getting our Western industrial countries to bear part of the load. And then it prevents the wrong kind of competition.

I understand a steel mill was built because of competition between countries, which I think is desirable. And there is no political advantage, which some thought there would be—I never thought it, but some did—of giving things to people. I think they much prefer to get it from the World Bank or from an international organization.

Senator **Capehart**. Yes, sir.

Mr. **Harriman**. That does not affect our relations. What we want is to help the economy develop and to help protect freedom.

At this time, I would make the world know that we are putting our security in good shape, and have adequate appropriations for our military and for the support of our allies.

PROSPECTS FOR A GERMAN SETTLEMENT

Senator **Capehart**. Who is going to give in on Berlin?

Mr. **Harriman**. I would not want to predict what is going to happen, because I am not in position to advise. I feel very strongly that there should be no weakening of Western Germany in any shape. There should be no compromise. I am utterly opposed to anything——

Senator **Capehart**. Did Khrushchev indicate to you he would go to war?

Mr. **Harriman**. Let me finish this.

I am utterly opposed to anything that is generally called disengagement. I am afraid of a neutral Germany. Ever since Potsdam, the Russians have wanted to get control of the Ruhr. The next best thing to having control of the Ruhr is to neutralize Germany; and if a special situation is made out of Western Germany, it will reduce her value.

I think that Germany may well become a permanent ally of the West. The present party in control is anxious to so scramble the eggs of Germany—military, political, and economic—that she will remain a part of Western Germany. She becomes the heart and strength of Western Europe, so I would look upon any ideas of disengagement or thinning out with the greatest of fear.

However, I do believe, we ought to get on the subject of disarmament. Some progress perhaps can be made in that field; and if there is some progress, we certainly must protect Western Germany. We have a commitment to the 2 million people there, but it is a difficult situation, and I cannot give you the answer to it. But I hope our Government stands firm; I have told everybody that this is beyond politics in this country, and that we are all solidly behind President Eisenhower. I hope he stays firm in the position he has taken.

A SOVIET-EAST GERMAN TREATY?

Senator **Morse**. Do you think Khrushchev will enter into a treaty with East Germany?

Mr. **Harriman**. He threatens to do that. He told me all the things that he said publicly. Much of what I have written about are things that he said publicly, and they were quite a shock to people to read.

A lot of people have not realized what he said, but he threatens to make a peace.

[Discussion off the record.]

PROSPECTS FOR A SUMMIT CONFERENCE

Senator **Morse**. Do you think, Governor, in view of this potential danger in regard to East Berlin, that a summit conference where the head of our Government would tell Khrushchev in effect, face-to-face, that we have no intention of permitting this to go on in Berlin, might slow him up?

Mr. **Harriman**. I have said so publicly, and I am glad to repeat it. I think a summit conference is of great importance. I would not be bothered with having conditions in advance, to be sure of the success. I do not think we are going to get that. And, after all, regarding any kind of a conference we have, we can say that progress has been made, and I do not think Mr. Khrushchev is going to pay for it. My guess is that he would not make any major concessions.

If they go to the conference at the summit, I think the important thing is that the Western leaders be ready to recognize and say they had a failure. My criticism of the Geneva Conference in 1955 is that they tried to pretend it was a success when it was an obvious failure.

That is not second-thinking, because the day after it closed, I made a speech in Paris in which I said the conference in Geneva was a phony.

I feel, as you do, that if they thresh out our problems in advance and then go there united, we would have Khrushchev and Eisenhower and the Allies, face-to-face, and we would have an understanding.

I would not concentrate so much on Berlin, but I would get on the subject of disarmament. And if we did not succeed in the first summit conference, I would make arrangements for other levels to continue the conversations and arrange for further talk.

[Discussion off the record.]

Mr. Harriman. I have suggested that it would be a good idea to have it in the United States. There are plenty of nice lakes which are as beautiful as Geneva, but there is no city like New York City; or it wouldn't be a bad idea to go to New Orleans if he wished to, or to Portland if he preferred to have it there.

I am serious. Any place in the United States to hold a conference would be an eye-opener to him, and there would be other influences which I think would be useful. I think he is very keen to come to the United States; he gave me that impression. And certainly he has given every indication that he would like to have a meeting at the summit.

Senator Morse. Mr. Chairman, this has been very helpful.

The Chairman. Do you have any questions?

Senator Sparkman. Nothing more.

The Chairman. Governor, we are indebted to you for taking the time to come here and give us your advice.

Mr. Harriman. It is just the reverse. I am very grateful to you for the opportunity, and if there is anything I can do in the future, I would be happy to do so.

The Chairman. We welcome you any time you have any good thoughts.

[Whereupon, at 5:35 p.m., the committee adjourned.]

MINUTES

TUESDAY, JULY 14, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATION,
Washington, D.C.

The committee continued in executive session at 12:20 p.m. in room 4221, New Senate Office Building.

Present: Chairman Fulbright, Senators Mansfield, Morse, Lausche, Hickenlooper, Aiken, and Carlson.

The nomination of Lane Dwinell to be Assistant Secretary of State for Administration was ordered reported without objection on motion by Senator Lausche, seconded by Senator Carlson.

S. Con. Res. 11, "To invite friendly and democratic nations to consult with India," was put over for a week at the request of Senator Lausche.

On motions by Senator Carlson, seconded by Senator Lausche, the committee voted unanimously to report the International Sugar Agreement of 1959 (Ex. D, 86–1) and the International Wheat Agreement of 1959 (Ex. E, 86–1).

Senator Lausche moved, seconded by Senator Carlson, that the committee report H.R. 4538, "Authorizing El Paso County, Texas, to construct, maintain, and operate a bridge across the Rio Grande," and it was agreed to unanimously.

For record of proceedings, see the official transcript.

[The committee adjourned at 12:25 p.m.]

FOREIGN POLICY IMPLICATIONS OF NUCLEAR WEAPONS AGREEMENTS

[EDITOR'S NOTE.—On June 8 the French Government announced that it would no longer permit the United States to stockpile nuclear weapons in France unless it shared in any Western decision to use those weapons. Newspaper reports then followed that the State Department, Defense Department and Atomic Energy Commission were reviewing U.S. policy toward control of nuclear weapons in NATO countries. In July, however, the State Department reported to the Joint Atomic Energy Committee that it had no intention of changing the existing atomic energy statutes to permit France and other nations any larger share of control over U.S. nuclear weapons. President de Gaulle then announced that France would develop its own nuclear arsenal, and went ahead with plans to explode an atomic bomb in the Sahara Desert.]

TUESDAY, JULY 14, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, at 2:45 p.m., in room F-53 U.S. Capitol, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Humphrey, Lausche, Aiken, and Carlson.

Also present: Mr. Marcy, Mr. Holt.

The CHAIRMAN. If the committee will come to order I guess we should start.

It is with some hesitancy that I called this meeting this afternoon to enable the Committee on Foreign Relations to familiarize itself with certain agreements relating to the sharing of atomic weapons information with allies in Western Europe.

My hesitancy was a consequence of the provisions of the Atomic Energy Act, as amended, which clearly bestows on the Joint Committee on Atomic Energy jurisdiction of agreements with other countries relating to sharing atomic energy information.

Nevertheless, pending agreements with the United Kingdom, France, Canada, Germany, The Netherlands, Turkey, and Greece do have significance in the field of foreign policy.

Many of us have been deluged with letters demanding public hearings. I think I have had some 300 letters, as a matter of fact, opposing the completion of these agreements.

I am sure many of them were inspired by a letter to the editor—you probably saw it—in the "New York Times," and it spread. I do not know that they all were.

On June 29 I wrote to the chairman of the Joint Committee on Atomic Energy, asking for such suggestions as Senator Anderson might have regarding the possible impact of these agreements on negotiations at Geneva.

ANDERSON LETTER ON NUCLEAR COOPERATION

Senator Anderson wrote me on July 9, and I believe the committee wil be interested in his reply. It was as follows:

> **Dear Senator Fulbright**:
>
> I have your letter of June 29, which was received at the office of the Joint Committee on July 6, in which you request my comments on the proposed agreements for cooperation on the uses of atomic energy for military defense purposes which are currently before the Joint Committee.
>
> Six separate agreements are involved with the following individual nations: France, Government of Canada, Federal Republic of Germany, Kingdom of the Netherlands, Government of Turkey, and the Government of Greece.
>
> In addition, there is a proposed amendment to an existing agreement with the United Kingdom.
>
> None of the proposed agreements involve the transfer of nuclear weapons to any of the nations with the exception of the proposed amendment to the agreement with the United Kingdom, which country already has nuclear weapons capability. None of the proposed agreements involve the transfer of material or communication of information that would permit the recipient nation to design or fabricate a nuclear weapon.
>
> The Subcommittee on Agreements for Cooperation of the Joint Committee on June 11, 12, and 17, 1959, held executive hearings at which the representatives of the State Department, the Defense Department, and the AEC testified in support of the agreements. In addition, the subcommittee held open hearings on July 1–2, 1959, at which all persons who desired to testify were given an opportunity to do so. The record of the open hearings, along with the unclassified portion of the executive hearings have been sent to the Government Printing Office and are expected to be ready for public dissemination the beginning of next week.

For the information of the committee, this is dated July 9.

> The Joint Committee, during this coming week, expects to report its recommendations to the House and the Senate.
>
> As to the possible impact of these proposed agreements on negotiations now in progress in Geneva, the Department of State is of the opinion that they will not adversely affect the United States interest. The Secretary of State last year in recommending amendment to the Atomic Energy Act of 1954 for the purpose of permitting these agreements, voiced the opinion that these type agreements with our allies will make the Soviet Union more willing to enter into agreements on limitation of weapons' testing as well as other disarmament arrangements. In his testimony of April 17, 1958, Mr. John Foster Dulles stated:
>
> It will make our allies more willing to accept and the Soviet Union more willing to grant a balanced program of disarmament with control of nuclear weapons' testing and nuclear weapons' making. (Hearings before the Subcommittee on Agreements for Cooperation of Joint Committee on Atomic Energy on amending the Atomic Energy Act of 1954—Exchange of Military Information and Material with Allies, page 450.)
>
> I can assure you that the Joint Committee, in compliance with its responsibilities under the Atomic Energy Act of 1954, has thoroughly reviewed the agreements currently before it and will make its report to the Congress in order that all Congressional Members will have an opportunity to discuss them on the Floor of the Senate and the House.
>
> Sincerely yours,
>
> Clinton B. Anderson, *Chairman.*

I understand the Joint Committee voted yesterday to report unfavorably seven concurrent resolutions which had been introduced in the House in opposition to the pending agreements.

THE ROLE OF THE SENATE COMMITTEES

I further understand that the Joint Committee will file a report setting out the reasons why it believes the pending agreements should be permitted to come into effect by the process of not acting adversely upon them within the 60-day period of grace.

Before calling on our witnesses from the Department of State, I would like to take this opportunity to reiterate the interest of this committee in the negotiations now underway at Geneva concerning an agreement to cease certain tests of atomic weapons.

Should those negotiations culminate in an agreement in the nature of a treaty, that treaty would be referred to this committee for action.

At present, the Senate is represented in Geneva, in a theoretical way—we were there for a short time—by Senators Gore and Hickenlooper, serving in their capacity as members of the Joint Committee.

I understand also that Senator Humphrey has been designated as an alternate representative at those meetings. That is by way of background.

Now, Mr. White, will you proceed.

STATEMENT OF IVAN B. WHITE, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS; ACCOMPANIED BY PHILIP J. FARLEY, SPECIAL ASSISTANT TO THE SECRETARY FOR DISARMAMENT AND ATOMIC ENERGY, AND WILLIAM E. LANG, DIRECTOR, OFFICE OF FOREIGN MILITARY RIGHTS AFFAIRS, OFFICE OF ASSISTANT SECRETARY OF DEFENSE FOR INTERNAL SECURITY AFFAIRS

Mr. White. Mr. Chairman, I am delighted to be here. I am here as Deputy Assistant Secretary for European Affairs.

I have with me Phil Farley, who is the Secretary's special assistant on atomic matters, who will be glad to discuss the question mentioned in your closing paragraphs regarding the negotiations in Geneva.

While you had some hesitancy in calling this hearing, as far as we are concerned, we are delighted to meet here with the committee and to attempt to explain the six agreements for cooperation on uses of atomic energy for mutual defense purposes, and the proposed amendment to one existing agreement now before Congress, the last named being the one you mentioned with the United Kingdom.

These agreements and the amendments are with countries allied with us in the North Atlantic Treaty Organization. The conclusion of the agreements was made possible by the amendment last year of the Atomic Energy Act of 1954.

PURPOSES AND EFFECTS OF AMENDMENT TO ATOMIC ENERGY ACT OF 1954

You will recall that over a year ago the late Secretary Dulles appeared before the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy to urge that amendment, to make it possible to strengthen the NATO shield forces by giving them an atomic capability.

The political rationale which led the executive branch to propose these amendments to the act last year and which has now led to the conclusion of the agreements now before you, is fundamental to the policy of the United States since the proclamation of the Truman Doctrine in 1946.

The security of the United States is intimately linked with the security of the rest of the free world. The North Atlantic Alliance is the most highly developed expression of this fact.

The defense posture of that alliance is a major element of the foundation upon which rest our efforts to achieve a just resolution of the political issues giving rise to international tension and to making progress toward genuine controlled disarmament.

A primary objective of the Soviet Union continues to be the disintegration of NATO. They do not hesitate to use threats in their attempts to do so. At the same time, they continue to claim that the North Atlantic Alliance and the determination of its members to provide for their defense is a threat to peace and a cause of tension.

The myth they attempt to promulgate throughout the free world is that the Soviet missile rattling is a contribution t the relaxation of tension, while the determination of countries of the free world to provide for the defense of their liberties is a threat to peace.

The NATO policy of achieving an atomic capability for the forces of its member countries cannot be cited as the cause of continuing tension between the Soviet Union and the Western Powers.

It was the existence of this tension which compelled the nations of NATO to reach this decision. From the outset, the willingness of the NATO powers to consider all reasonable and promising means of reducing these tensions has been clear.

THE SOVIET THREAT IN EUROPE

The responsibility for the continuing tension is clearly that of the Soviet Union. While refusing to respond to our repeated attempts to bring about a genuine relaxation of tension, the Soviet Union and its satellites are maintaining an enormous military establishment.

The U.S.S.R. alone has 22 divisions in the Soviet Zone of Germany. Sixty more Soviet divisions are stationed in the Western U.S.S.R. and in the unhappy countries of Eastern Europe now under Soviet domination.

The NATO forces facing this array, although stronger now than at any time in the past, must be equipped with modern weapons if they are to continue to meet their responsibilities for the defense of the European NATO area against the numerical superiority of the Soviet forces which are equipped with nuclear-capable weapons.

These facts were recognized by the NATO heads of government when they said in their communique at the time of the December 1957 meeting:

> The Soviet leaders, while preventing a general disarmament agreement, have made it clear that the most modern and destructive weapons, including missiles of all kinds, are being introduced in the Soviet Armed Forces. In the Soviet view all European nations, except the U.S.S.R., should, without waiting for general disarmament, renounce nuclear weapons and rely on arms of the pre-atomic age. As long as the Soviet Union persists in this attitude, we have no alternative but to remain vigilant and to look to our defenses. We are, therefore, resolved to achieve the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques.

Senator LAUSCHE. Whom are you quoting there?

Mr. WHITE. I am quoting the communique of the NATO heads of government in December 1957.

I think in that connection, for some time before that, the NATO planning groups and our NATO military setup were giving serious consideration to the whole problem of how to erect an effective NATO shield in Western Europe in the face of Soviet capabilities as known through intelligence forces.

This was followed by the meeting of the NATO heads of government with this resolution which, in turn, was followed last spring by congressional consideration of our Atomic Energy Act with a view to providing amendment which could meet this problem, and at the same time protect our policy of not contributing to the attainment of a nuclear manufacturing capability by any other country.

Following this amendment, both General Norstad and Admiral Wright and their organizations established a series of priorities as to the requirements of the national forces who are members of NATO. In pursuance of that statement of priorities, the State Department, with the help of the Defense Department and the AEC, has proceeded with the negotiation of these six agreements, plus one amendment, which have now gone before Congress.

That, sir, is the chronology.

As to the second element, sir, this is a rather long statement. If you would prefer that I just discuss it orally, I would be prepared to do so, or I am delighted to go right ahead.

The CHAIRMAN. You know it better than I. Do you think you could summarize it?

Mr. WHITE. Well, I have given you the chronology of it, and I think that, perhaps, now I could go on to a brief description of each of these specific agreements as to what they do include, and then we can come back to the rationale, if you desire.

The CHAIRMAN. All right. You go ahead.

UNITED STATES-UNITED KINGDOM AGREEMENT

Mr. WHITE. The proposed amendment is to the agreement for cooperation between the United States and the United Kingdom Governments executed on July 3, 1958.

That agreement permitted the exchange of classified atomic energy information relating to weapons and other military applications, including reactors, and made provision for the transfer of a submarine nuclear propulsion reactor and materials to the Government of the United Kingdom.

The amendment now before Congress provides for the transfer of non-nuclear parts of atomic weapons, other non-nuclear parts of atomic weapons systems, and special nuclear materials for these military applications.

The purpose of the amendment is to preclude the unnecessary duplication of effort, facilities and funds, while providing collective security for both countries.

It will permit further effective implementation of the Agreement for Cooperation of July 3, 1958.

As you know, Anglo-American cooperation has a long history. In this century this cooperation has been characterized by alliances in two world wars and by a long record of close collaboration in many fields. In the years following World War II, this growing collaboration has taken the form of continuous close consultation between both countries on matters of mutual concern.

Within the NATO Alliance, the United Kingdom contributes substantially to the nuclear deterrent to aggression. Close cooperation with the United States has been the keystone of British foreign policy since World War II.

Considering our atomic energy agreements with the United Kingdom I think that we go further in our cooperation with that country than with any other.

Aside from the political rationale and the history of our cooperation, there is a very important, vital point that the United Kingdom developed its own nuclear capability, and therefore, we were in a position to do more with them than with any other country.

THE UNITED STATES-FRENCH AGREEMENT

At the other end of the spectrum of the six agreements plus one amendment, is the agreement with France. This agreement is entirely unclassified, and provides merely for the sale to the French Government of enriched uranium for use in the development and operation of a land-based prototype nuclear submarine propulsion plant to assist French in the development of a nuclear submarine capability in the French Fleet.

As I have said, this is unclassified; yet it does not get into some fields in which the French were interested that we get into.

The CHAIRMAN. I did not quite get that. You are going to give them a reactor of the submarine type?

Mr. WHITE. No, sir. We are not giving them a reactor. We are merely selling them some enriched uranium on a commercial basis for use in an experimental or developmental project which they have for a land-based——

The CHAIRMAN. Which they already have?

Mr. WHITE. They have the experimental land-based, prototype, as I understand it, and we are just providing a certain amount of enriched fuel. On the details I will defer to Mr. Farley.

The CHAIRMAN. I was told the Secretary of State had agreed to give de Gaulle a propulsion unit similar to the *Nautilus*. Is that true or not true?

Mr. FARLEY. Senator, at the time of the heads of government meeting in December 1957, the Secretary of State referred to the fact that we had these amendments to the Atomic Energy Act under preparation and said that if they went through they would enable the United States to cooperate with qualified allies in the nuclear submarine field.

To qualify involves three things. It involves enough technical capability, which I think the French have to take advantage of a field like this.

If you want the plant, it involves security arrangements to protect the know-how that goes into it. This has been an obstacle with the French.

Finally, it involves the ability of the President to determine that it would be in the interest of our mutual defense to enter into this cooperation, and this has raised some problems in recent months in view of the position of France in NATO.

So there is a statement that if France meets the qualifications that I have outlined, we are ready to cooperate. We have run into problems on two of those qualifications which have resulted in the very limited agreeemnt to which Mr. White has referred; it does not involve classified information, and is such a preliminary nature that we felt it was a desirable thing to do.

A CONTINUING OBLIGATION

The CHAIRMAN. Is there a continuing obligation growing out of this previous statement to give them a nuclear reactor similar to the *Nautilus* if they qualify?

Mr. FARLEY. I think it is fair to say that is a commitment. I would like to make it clear that we think it would be desirable for our relations with France and with France in NATO if France were able to qualify by the kind of wholehearted cooperation in NATO by cleaning up their internal security situation.

The CHAIRMAN. This agreement does not commit us to do it?

Mr. FARLEY. No; this does not commit us to anything but the fuel.

The CHAIRMAN. Before they get such a reactor or anything additional, would there be a new agreement submitted to the committee?

Mr. FARLEY. Yes, sir.

Mr. WHITE. There would have to be; yes, sir. Our entire conversation, of course, is, as I understand it, in executive session?

The CHAIRMAN. The record is an executive record.

Mr. WHITE. Yes, sir.

There have been very strong indications by the French of an interest in our providing nuclear propulsion machinery for a submarine which they are building at Cherbourg, I believe.

Mr. FARLEY. That is correct.

Mr. WHITE. We have placed those conversations in suspense, and they have been in that situation since the French removed their Mediterranean Fleet from the NATO complex.

SUSPENSION OF DELIVERIES

Senator AIKEN. Under the contract, any deliveries on our part can remain in suspense indefinitely, as I understand it, so long as France refuses to cooperate.

Mr. WHITE. In the case of all these agreements, the authority we have is purely permissive, and there is nothing under the agreement that requires us actually to do this, that or the other thing.

In the case of the French agreement, it does not include the propulsion machinery for a sea-based submarine in the form they have requested.

Senator AIKEN. But in regard to the French agreement, will the President be required to find that any actions on the part of France do not tend to weaken the security of the United States or any of the other NATO countries?

Mr. WHITE. That is right.

Senator AIKEN. And under the circumstances, in view of the actions of the French, it is unlikely that the French agreement would be carried out, I would say.

Mr. WHITE. We have no present——

Mr. FARLEY. If I could break in, I think there is a misunderstanding here.

Senator, this agreement does involve a commitment to furnish the fuel. The specific proviso does relate that this project must be part of general implementation of NATO activities, and since by no means the whole of the French Fleet has been withdrawn from NATO, at this time we would have no reason to feel that we should interfere with the delivery of fuel for this particular project.

Senator AIKEN. Doesn't the agreement say something about France not taking any action which weakens the defenses of the security of the United States or any of the other NATO countries?

Mr. FARLEY. No, sir; it is not that broad.

Senator AIKEN. Are you sure? You should be sure.

Mr. FARLEY. Of course, if it were that broad we would not be able to carry out the commitment to provide the fuel.

Senator AIKEN. That is the way I read it.

Mr. FARLEY. The particular program for which the fuel is provided must be in furtherance of NATO plans.

Senator AIKEN. Have you taken this up with the Joint Committee on Atomic Energy to make sure that is your understanding?

Mr. WHITE. Yes, we have, sir.

AN ESCAPE CLAUSE

Senator CARLSON. I have here the proposed agreement, and I think for the record we ought to read in what this is to be used for.

Senator AIKEN. There is an escape clause, maybe not in the agreement, but in the analysis of the agreement.

Senator CARLSON. The agreement, article 4, subsection (c) reads this way:

> The enriched uranium transferred pursuant to this agreement shall be used by the Government of the Republic of France exclusively in the development and operation of a land-based prototype submarine nuclear propulsion plant in the preparation of implementation of defense plans in the mutual interest of the two countries.

Mr. FARLEY. That is the provision I was referring to, Senator.

There is a general recital in the initial phrases of the agreement which provides that France must continue to cooperate with the United States in a mutual defense agreement.

Senator AIKEN. Well, so long as France has, in effect, required us to remove our planes from fields which have cost us a few hundred million dollars, at least you would not consider making deliveries to France, would you?

Mr. WHITE. Sir, in the case of a classified proposal which would involve propulsion machinery, we have decided not to go ahead with it. We have decided that on balance, that in the case of this purely unclassified commercial sale of a limited amount of uranium for the purpose set forth, taking into account the entire framework of our relations with France and the French position in NATO, it is to our advantage to go ahead.

Senator AIKEN. To go ahead simply——

Mr. WHITE. With this limited purpose.

Senator AIKEN. To go ahead simply with furnishing enough fuel to operate a land-based submarine?

Mr. WHITE. Prototype.

Senator Aiken. Yes, prototype. There is no likelihood of France diverting that fuel for other purposes; is that it?

Mr. White. That is forbidden.

Mr. Farley. There is a specific provision in the agreement, Senator, stating that this cannot be done, and giving us rights to visit the project to satisfy ourselves that this is not being done.

Senator Aiken. Has France fully kept her agreements in NATO with regard to other things?

Mr. White. Well, we are——

Senator Aiken. I would say that there was a lot of reluctance on the part of the Joint Committee on Atomic Energy to approve this contract, as you well know.

Mr. White. Yes.

Senator Aiken. And it was only on the assurance and insistence of the State Department that it would probably cause more harm than good not to approve it that prompted the committee to approve this. There is no question about the other agreements.

Mr. White. We discussed that at some length before that committee.

I am delighted to share with you our dilemma about the French problem. I am sure you have discussed it with respect to other facets.

Senator Aiken. I think it was understood we should drag our feet rather heavily on it.

The Chairman. The chairman spoke to me about it and I said I did not think we ought to publicly refuse, but there ought to be plenty of discretion in the executive branch to go slow and not perform, in consideration of the action of France; is that true? Can you go as fast or as slow as you like?

Mr. White. That is true, Mr. Chairman; that is correct.

Our decision has been not only to go slow, but to suspend for the time being the thing which would really be of some importance, and that is the propulsion machinery for the atomic submarine. I guess that is where we have drawn the line.

We hope that somehow we will find a solution to this French problem. It is not an easy one. It is not entirely black or white. There are a lot of shades of gray here. De Gaulle is coming back, reestablishing morale in a country which had pretty well lost it, and internally they have done pretty well. They have put their house in order and are no longer a candidate for economic aid.

A STRONGER FRANCE

For a decade we worried about a weak France, and now we are worrying about a strong France, and there is de Gaulle. He says he wants our support in Algeria and he would like to share our atomic secrets with us; and finally, he would like very much to share with us and with the United Kingdom all decisions on global strategy.

Well, that is quite a large order. When you get up to de Gaulle you are getting up above the normal processes of diplomacy. Those of you who have had a chance to read his memoirs know that, and we are just hoping that in the not-too-distant future the President will have an opportunity to sit down and talk with him.

Senator Aiken. If he got our atomic secrets, he would not need our support in Algeria.

[Laughter.]

Mr. **White**. We do think in this particular case it is basically on the innocuous side. There is nothing classified about it; they are paying for it. We think we can go ahead and we have drawn the line for the moment beyond that point.

FRANCE'S NUCLEAR CAPABILITY

Senator **Aiken**. Does France have knowledge on how to produce enriched uranium?

Mr. **Farley**. They are developing this process themselves.

Senator **Aiken**. They probably do.

Mr. **Farley**. They have a pilot plant in operation. Our people are not intimately familiar with it, but feel that they have about mastered it and can build a big plant in the next few years.

Senator **Aiken**. They probably have the know-how, but have lacked the means up to this time.

Mr. **Farley**. So far.

Senator **Aiken**. Like most countries.

Mr. **Farley**. But they are going ahead.

Senator **Lausche**. Mr. Chairman, may I ask a question?

The **Chairman**. Yes, Senator Lausche.

Senator **Lausche**. Just to get my own mind clarified on what the French agreement will achieve, will we supply them commercially with a certain quantity of this enriched U-235?

Mr. **White**. Uranium.

Senator **Lausche**. Will they use it to develop a land-based prototype submarine nuclear propulsion plant?

Mr. **Farley**. That is correct.

Senator **Lausche**. Does that mean that they will have what is the equivalent of a submarine on land, which they will attempt to develop into a nuclear-propelled submarine?

Mr. **Farley**. They will have the power plant on land, and if it works well on land, the next stage would be to build one for actual seagoing submarines.

Senator **Lausche**. Will they be using this U-235 for the purpose of trying to develop a submarine of the type that we have?

Mr. **Farley**. As close as they can come.

Senator **Lausche**. Is that it? As close as they can come?

Mr. **Farley**. We are not giving them the know-how.

Senator **Lausche**. Now, then, if they reach our level, then will they have no need for our mechanism and the know-how?

Mr. **Farley**. Except that our experience has been so much greater and the improvements we have made in a series of submarines are such that they will still value what they could get from us.

Senator **Lausche**. In any event, is this U-235 being sold to them for the purpose of France's using it in an effort to develop an atomic energy-propelled submarine?

Mr. **Farley**. That is correct.

Mr. **White**. This is correct.

Senator **Lausche**. And if they succeed in the degree that we have, will there be no need for the mechanism part of this information which you say we are withholding?

Mr. **Farley**. That is true; yes, sir.

Senator **Lausche**. In withholding the mechanical parts and the knowledge, don't you assume they will not succeed and in the end that they will still want our know-how?

Mr. **Farley**. I think this is certainly true, to save time, and to get the benefit of our much greater experience; yes, sir.

Senator **Lausche**. Just to simplify it: That is the purpose of getting this enriched U–235, to give them the fuel with which they will experiment and practice in their efforts to develop a nuclear-propelled submarine?

Mr. **Farley**. That is right.

Senator **Lausche**. All right.

The **Chairman**. Go ahead, Mr. White.

Senator **Humphrey**. Is there anything relating to weapons, weapons systems or weapons parts, in the agreement with France?

Mr. **White**. No, sir.

Senator **Humphrey**. Is there specific prohibition for the transfer of any of this enriched uranium?

Mr. **White**. It is prohibited under our law, except to the extent as an approved agreement would provide otherwise. This agreement provides solely for the sale on a commercial basis of a certain amount of enriched uranium to France for this specific and sole purpose.

Mr. **Farley**. There is a specific prohibition against using the material for other military purposes, with right of inspection for us to ensure that it is carried out.

Senator **Humphrey**. All right. Thank you. That is all.

The **Chairman**. Go ahead, Mr. White.

NUCLEAR COOPERATION WITH CANADA

Mr. **White**. Turning now to the agreement with Canada, this, of course, is based both on the fact that Canada is a partner in NATO, and the fact that she is a partner in our defense of North America. It provides for the exchange of information to assist Canada in the development of defense plans, in the training of personnel, and the development of delivery systems, as well as in research, development and design of military reactors.

The agreement also provides for the transfer of non-nuclear parts of atomic weapons systems, and for the possible transfer of military reactors and special nuclear materials to Canada.

Basically, the Canadian agreement falls short of the measure of our atomic cooperation with the United Kingdom, which already has the nuclear capability, but is more comprehensive than our agreements with the four countries which have agreements written in almost identical terms.

Senator **Aiken**. Is the military reactor referred to intended for us on the DEW Line?

Mr. **White**. No, sir.

Senator **Aiken**. It is not that one?

Mr. **Farley**. There is a provision for that type of military reactor. There is also provision for a submarine reactor if Canada decides to obtain it.

The **Chairman**. If they want it, can they have it?

Mr. **Farley**. That is right; they have to look very closely.

Senator **Aiken**. If they want it?

The **Chairman**. They have to pay for it.

Mr. **Farley**. That is correct. That is one of the reasons they are going to look at it very closely.

The **Chairman**. It is expensive.

Mr. **Farley**. It is expensive.

Senator **Aiken**. [Deleted.]

Mr. **White**. [Deleted.]

Senator **Aiken**. [Deleted.]

Mr. **Farley**. [Deleted.]

Senator **Aiken**. I think so, too.

Senator **Lausche**. Mr. Chairman, may I ask a question?

The **Chairman**. Yes.

WITHHOLDING NOTHING

Senator **Lausche**. What, if anything, are we withholding in the United Kingdom agreement? What do we not share with them?

Mr. **Farley**. I think the simple answer is nothing.

Senator **Lausche**. Nothing. That is all.

Mr. **Farley**. Essentially, I think of nothing.

Senator **Aiken**. The United States and Canada are all carrying on experiments and trying not to duplicate anything more than necessary, particularly in the development of reactors.

Canada, I believe, is trying to find out how to use low-grade uranium ore, even raw uranium.

Mr. **White**. In the peaceful field.

Senator **Aiken**. In the peaceful field.

Mr. **White**. In the field of nuclear weapons, Prime Minister Diefenbaker recently made a public statement before Parliament stating that Canada did not intend to develop its own capability, but would rely on the United States, and on American defense forces in the military field.

Senator **Aiken**. [Deleted.]

Mr. **White**. The Canadian approach to this has been a very realistic and very sensible one.

Senator **Aiken**. Yes.

Mr. **Farley**. Mr. Chairman, I wonder if I could add one sentence to my answer to Senator Lausche.

It is true there are no bars to the decision of furnishing production or design information to the United Kingdom. The agreement does bar the transmission of complete nuclear weapons into the possession of the United Kingdom or parts of nuclear weapons from the United States to the United Kingdom.

Those two authorities are not given in the Atomic Energy Act, and therefore are not in the agreement with the United Kingdom.

Senator **Aiken**. Well, it is possible to put a nuclear warhead, or a conventional warhead, on the same missile, as I understand it. So it is a matter of how you look at it, whether you are furnishing them with a part of a nuclear weapon or not.

I assume that if they do any training that they will have dummy warheads to train on, learn how to use them if the need comes, but they will not be permitted to have a nuclear warhead.

Mr. **White**. Yes. That is a very important dividing line, too, in the case of our four agreements with The Netherlands and Greece, Turkey and Germany.

The **Chairman**. How about those agreements? Are you going to describe them?

Mr. **White**. Yes.

The **Chairman**. Are they identical?

Mr. **White**. They are virtually identical; just very minor changes.

Senator **Humphrey**. As the Canadian Agreement?

Mr. **White**. No, sir; among the four.

The **Chairman**. Tell us the one about the German one; that is the one I have been deluged with letters about. Will you describe it as best you can?

OTHER NUCLEAR COOPERATION AGREEMENTS

Mr. **White**. The German agreement is identical with the other three, and I will cover them all at the same time.

This goes back, of course, to the decision of the NATO heads of government and is based on the plan to equip the defense forces of the NATO Alliance with modern delivery systems similar to those already in the hands of numerically superior Soviet forces.

In order to do this and in order to achieve these objectives, three requirements must be met.

First, of course, it must be necessary for the forces of the alliance to be equipped with modern weapons delivery systems which, in the event of aggression, can be used by American and other Allied forces for the defense of the alliance.

As General Norstad has indicated, good progress has been made in the last year in placing these tactical-type modern weapons delivery systems into the hands of Allied forces in the NATO shield, either under the military assistance program or by purchase of Allied governments. We are continuing this part of the program.

I believe he said that up to the end of last year, they had 30 battalions with a missile capability in the NATO setup, and that their objective by 1963 was 100 such missile battalions.

The **Chairman**. What range are they? Are they intermediate range?

Mr. **White**. No, sir; I think these are tactical weapons.

The **Chairman**. Tactical?

Mr. **White**. The intermediate range gets in the ballistic missile field, which is something outside this particular exercise.

The **Chairman**. Oh, yes.

Senator **Aiken**. What is the tactical range, 50 miles?

Mr. **White**. I will refer to that in a moment.

Mr. **Lang**. Sir, that can go up to 200 miles.

Mr. **White**. Second, in order to enable the forces of the alliance to make use of these weapons system, in case of need it is of course necessary to establish stocks of nuclear warheads for use with the delivery systems available to the NATO forces. The establishment of stocks of nuclear warheads readily available for the defense of the alliance in case of need was specifically called for by the NATO heads of government at their meeting in December 1957.

Third, to complete the process of introducing a modern nuclear capability into the NATO shield, the Allied force must have the know-how, as well as some additional equipment which will enable them to make use of the modern weapons systems and the warheads in case of need.

The purpose of these four agreements with The Netherlands, Greece, Turkey and the Federal Republic of Germany now before the Congress is attainment of this last objective.

Under these four agreements, the United States will be able to exchange with these countries information jointly determined to be necessary in the development of defense plans, the training of personnel in the use of and the defense against atomic weapons, the evaluation of potential enemy capabilities in atomic weapons and the development of delivery systems.

We will also be able to transfer to these Allied governments non-nuclear parts of atomic weapons systems, thereby considerably increasing their capability to use these systems in the event of an emergency.

Is there anything you would like to add to that, Phil? [Deleted.]

The Chairman. [Deleted.]

Mr. White. [Deleted.]

The Chairman. Yes.

Mr. White. The plan under these agreements is (a) to teach the NATO forces in these four countries the potentiality of atomic weapons coming in from the other side as a matter of defense; (b) to train them in the use of the non-nuclear part of the weapons; and (c) to actually make the non-nuclear part of the weapon available to them, so that in case of emergency it would be primarily a matter of taking troops already trained in the use of these weapons and making the atomic warhead available. Then they are usable at that point.

Senator Aiken. But could the non-nuclear part also be used with just a plain conventional warhead?

Mr. White. In some cases.

Mr. Farley. The delivery system.

Senator Aiken. Yes.

Senator Humphrey. Mr. Chairman, may I ask a question?

The Chairman. Yes, sir.

PURPOSES OF THE COOPERATION AGREEMENTS

Senator Humphrey. Why do you need these agreements to do what you have just said, exclusive of the technical aspects of the atomic weapon? I was just looking over the collective self-defense provisions of the North Atlantic Treaty. For example, don't those provisions provide for development of defense plans?

Mr. White. That's right, sir. These particular agreements, however, have been negotiated under last year's amendment to our own Atomic Energy Act. As a result of those amendments we now have, we are now in a position to do more with these NATO military forces than we were previously.

Senator Humphrey. I understand under what authority these agreements have been negotiated. I am fully cognizant of that. For example, in your agreement with Germany and The Netherlands, Greece and Turkey, under article 2, under exchange of information, and in fact under article 1 under general provision, I see nothing in article 1 in particular that could not be encompassed under the straight treaty provisions of the North Atlantic Treaty Organization.

That article provides that

> The United States and the Federal Republic of Germany are participating in international arrangements for this mutual defense and security,

et cetera,

> and each party will communicate to and exchange with the other party information and transfer non-nuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement.

If your answer to Senator Aiken is that the nonnuclear parts of atomic weapons are usable for conventional weapons—in other words, serve the same function—and have no particular exclusive relevance to thermonuclear or nuclear warheads, then it seems that the provisions of the NATO treaty would apply.

Mr. WHITE. That is a rather technical guideline.

Mr. FARLEY. May I comment? Our understanding is that under the Atomic Energy Act we are forbidden to transmit to other countries restricted data.

Senator HUMPHREY. On atomic energy?

Mr. FARLEY. Restricted data is a term of art in this act referring to certain atomic energy information. We are forbidden to transmit that information to other countries except under one of these agreements for cooperation, and it is to remove that statutory bar that these agreements are negotiated.

Senator HUMPHREY. Well, maybe I misinterpret it, but I understand the phrase "restricted data" to apply to atomic energy data.

Mr. FARLEY. That is correct.

Senator HUMPHREY. And I also understand that article 1 of this particular agreement, let's say with the Federal Republic of Germany, does not apply to atomic energy. It applies to the non-nuclear parts of atomic weapons systems.

Mr. LANG. I would like to point out, Senator, that these parts do contain restricted data. We are not talking about the delivery system such as the Honest John, which can be transferred to the MAP program by grant or by sale; we are talking about certain types of agreement such as adaption kits, which because of their close relationship to the weapon itself contain restricted data.

Senator HUMPHREY. So that is the dividing line.

Mr. LANG. That is the dividing line, sir. If the equipment involves restricted data, then it can be transmitted only under the agreement.

Senator HUMPHREY. Again, these four agreements do not provide for the transfer of the nuclear material.

Mr. WHITE. That's right. They do not.

Senator HUMPHREY. They do not, but they do provide for the mutual sharing or the transfer of defense plans relating to nuclear weapons; is that right?

Mr. FARLEY. Yes; there are limitations set forth in the agreement, of course.

Senator HUMPHREY. It involves training of personnel in the employment of and defense against atomic weapons and military applications of atomic energy.

Mr. FARLEY. That is correct.

Senator **Humphrey**. And that falls, does it not, within the concept of restricted data?

Mr. **Farley**. That is correct.

Senator **Humphrey**. What I am trying to establish here is that while the NATO provisions are rather comprehensive, do they include provision for the exchange of the so-called restricted data as defined in the Atomic Energy Act?

Mr. **Farley**. I'm sorry; these NATO agreements which are before you?

Senator **Humphrey**. No; the NATO Treaty.

Mr. **Farley**. It does not, sir.

Senator **Humphrey**. And is that why you needed the agreements, to supplement the defense structure of the NATO Treaty?

Mr. **Farley**. Yes, sir.

Senator **Humphrey**. Am I interpreting this correctly?

Mr. **Farley**. That's correct.

Senator **Humphrey**. So are the provisions under article 2 on the exchange of information relevant to the concept of restricted data as applied to atomic energy equipment and material?

Mr. **Farley**. And I might point out that your interpretation is borne out by the later section of definitions in the agreement which makes this point clear.

Senator **Humphrey**. If I had read that, then I would have been all right, I guess.

Mr. **Farley**. I point to this as showing the correctness of your position.

NUCLEAR WEAPONS AND MATERIALS STOCKPILES

Senator **Humphrey**. Where do you store the nuclear material? Are you contemplating storing it somewhere within the European area?

Mr. **Farley**. The arrangements for the stockpiles of the nuclear weapons are set up in accordance with plans of SACEUR by agreement between the United States and the various countries where it is determined necessary to have stockpiles.

Senator **Humphrey**. [Deleted.]

Mr. **Farley**. [Deleted.]

Mr. **Lang**. [Deleted.]

Senator **Humphrey**. [Deleted.]

Mr. **White**. [Deleted.]

Senator **Humphrey**. [Deleted.]

Mr. **Farley**. [Deleted.]

Senator **Humphrey**. [Deleted.]

Mr. **Farley**. You are correct.

Senator **Humphrey**. And these agreements do not in any way circumvent the Atomic Energy Act by any type of executive agreement. They go only as far as the law will permit in terms of the nuclear weapons system, exclusive of the nuclear material.

Mr. **Farley**. That is correct. They are written solely on and within the authority of the Atomic Energy Act. It is only the delivery systems which are in the possession of the other country, not the nuclear warhead.

SOVIET REACTION

Senator **Humphrey**. What do you think the Soviet Union will do with the Warsaw Pact countries once these agreements are consummated and you engage in training of troops, development of delivery systems compatible with the atomic weapons which they carry, research, development and design of military reactors? That is, the Canadian provisions. Or, if you take the ones relating to Germany and The Netherlands, you have practically the same thing with the exception of the nuclear reactors.

Mr. White. Our judgment is that they will make their decisions on that completely independently of this development. They have more than 20 divisions in East Germany. They have others in the satellites. They are in a position to pretty well take care of their own requirements in the tactical atomic area. Their situation fundamentally is different than ours. Those countries are not their allies. You might say, they are more subjects, and in view of the circumstances I have set forth regarding both the size of their own forces in Eastern Europe and the fact that there is fundamental suspicion regarding the loyalty of some of these satellite countries, we are very doubtful that they will equip them with atomic weapons. If they do, they will do it for reasons other than this.

Senator Humphrey. You recall, of course, very vividly the circumstances that surrounded the announcement or the communique of December 1957.

Mr. White. Yes.

Senator Humphrey. Following the NATO meeting, there were several feature magazine articles here in the United States. I recall one in the "U.S. News and World Report," among others, concerning the opposition of certain elements in the population of the NATO countries. Now my first question in reference to this, and it is a question that I raised publicly this weekend, is whether these agreements are welcomed by the people and the political and military leaders of Western Europe.

Mr. White. Well, in the case of these six agreements and referendum which we negotiated, the NATO countries at the NATO Council in May, when we informed them of them, adopted a resolution saying that these agreements were entirely in pursuance of the decision of the heads of government in December 1957, that the circumstances had not changed, and that they entirely conformed to the requirements of the situation. I think basically the announcement of these negotiations has not created any great public stir, because psychologically the NATO countries crossed that bridge earlier, when the basic decision was made, and they recognize that this is an implementation.

With the Soviets pulling the string, in the Communist press and the fellow traveling press, you always have a certain amount of shouting about this or any other development which represents an effort in the NATO countries to improve their defense capability.

We anticipate that we will have that in the future in any subsequent development improvement of defensive capabilities, and they shoot pretty hard at the governments who made these decisions.

But I think that basically this approach, which is really one of modernized approach in terms of weaponry, has given the NATO countries and the NATO publics more confidence than they otherwise would have had, in the face of Khrushchev's rocket diplomacy.

The decision which Congress made last year was a very wise one, and this is one of the best things we have done in the military field. That is my judgment.

REACTIONS IN EUROPE

Senator **Humphrey**. You recall that at the time of the communique there was a considerable amount of information in the press indicating that in certain countries there was strong opposition to this communique, and the ensuing substance of agreements, and not just from Communists. I recall, for example, that the Western European Allies insisted that our proposal relating to the nuclear weapons be modified by the inclusion of a pertinent paragraph concerning comprehensive and controlled disarmament.

Mr. **White**. Yes.

Senator **Humphrey**. As I recall, there were press stories emanating from Paris to satisfy the desire of the peoples in Germany, but particularly in Great Britain, and in the low countries and the Scandinavian countries as to some efforts being made to ease the arms race rather than to step up its tempo and intensity. There was also information to the effect that we literally browbeat these countries into accepting this position.

Now I am just bringing this up and putting it on the table.

Mr. **White**. Yes.

Senator **Humphrey**. I am not trying to say that this is true. But I think a careful examination of the American press—not the Communist press, not the Socialist press, but the capitalist press, as the Socialists or Communists would say—indicates that our European allies accepted his bitter pill with as much anguish and screaming and tugging and pulling as some children accept castor oil.

Mr. **White**. Basically, of course, this decision in December 1957 grew out of a growing recognition by NATO at the military level that a transformation of our defense into more modern terms was essential to survival. At that time I was in Canada, as you know, and I would like to defer to Russ Fessenden, who is head of our NATO office in the Department and who is more familiar with that background than I am.

Mr. **Fessenden**. Yes, sir. I would say that the overall popular sentiment in Europe at the time of the NATO heads of government decision in December 1957 was basically favorable to the decisions taken.

There was a great deal of concern at that time about that Soviet potential.

Senator **Humphrey**. This was right after Sputnik, as I recall.

Mr. **Fessenden**. It was right after Sputnik; that's right.

I was in Paris at the time, and believe it is fair to say that the sum total of European sentiment was favorable to the decision taken. You are correct, I think, in saying that there was also some criticism of this in the press, but the majority sentiment was certainly favorable.

Senator **Carlson**. Will the Senator from Minnesota yield?

Senator **Humphrey**. Yes, indeed.

Senator **Carlson**. The reason I bring it up is that I wonder if over the weekend the Senator read Hugh Gaitskell's statement in which he discussed this problem.[1] It amazed me a little because the Senator from

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[1] On July 11, British Labor Party leader Hugh Gaitskell opposed a movement within his party to endorse unilateral British disarmament of nuclear weapons.

Oregon and the Senator from Kentucky and I were at New Delhi and he was the head of the delegation at that interparliamentary meeting. Some of this discussion was on the record and some was off the record. His statement Sunday, in which he stated that should the Labor Party in Great Britain oppose the modern armaments of this nuclear weaponry program he would take the other side, amazed me a little and should be helpful.

And I agree with you that there have been and are some problems.

Senator HUMPHREY. As I understand your statement, the interpretation of Gaitskell's statement supports these agreements.

Senator CARLSON. He certainly did. It amazed me.

Senator HUMPHREY. I don't know. He is a pretty responsible fellow and I think he feels the necessity of a very close working relationship with our country.

Senator CARLSON. I think those of us in New Delhi agreed that should the labor government take control, he would be the next Prime Minister, which I think is important.

Senator HUMPHREY. I appreciate that information, Senator Carlson.

I want to develop this record a little bit, gentlemen, because there has been considerable discussion about these agreements. Some of us have been consulted and contacted by citizenry and I would like to have an open mind about them and at the same time have a record that is accurate and is not misleading or subject to misinterpretation.

Relating now to the action in 1957 and the resultant communique, was this a military or a foreign policy decision? In other words, who made it?

Mr. WHITE. I believe Mr. Farley, who is Special Assistant to the Secretary on atomic matters, was present on that occasion and I will defer to him.

Mr. FARLEY. I would like to say a word about this, since I was there and since my responsibilities relate both to disarmament and to atomic energy matters, the two things you are referring to.

SIGNIFICANCE OF AND REACTION TO THE NATO DECISION

This was a decision which was given a great deal of very careful thought. It was not simply a matter of course of foreign ministers, but of heads of government. President Eisenhower was there, as well as Mr. Dulles and their counterparts from many of the other NATO countries.

The matter of controlled disarmament was one to which our European Allies attached a great deal of importance. But it was also one to which we attached a great deal of importance, since we do not think of the introduction of nuclear weapons as our entire foreign policy.

It is only part of our foreign policy, so the whole communique reflected our overall foreign policy and I believe the real consensus of the allies who met there with us. It does involve both measures to strengthen NATO defense, a reaffirmation of our attempt to reach agreements which will relax tensions and perhaps lead to some ending of the kind of military confrontation we have now.

This kind of very sober decision does indeed call for a great deal of debate in public also. I believe there was a great deal of debate. Some of it was critical, some of it supportive. I think the net result was support. As a result of that debate's having been held at the time, now that these agreements have been concluded there has been very little criticism or opposition. I think public as well as official opinion has thought this thing through and has decided that this kind of balanced approach, strengthening our defenses as necessary, is what we must take.

Senator **Humphrey**. Mr. Stevenson was called into Washington about the month of December.

Mr. **Farley**. I recall that well.

Senator **Humphrey**. He was a consultant to the State Department and I believe to the Secretary in preparation for the Paris meeting. I want to give the background again. This is a period of considerable emotion and unhappiness and distress in America. Sputnik would be launched. The impact of Soviet science was clearly felt.

The Western Allies were dubious as to U.S. leadership and capacity; at least that is the way the press was interpreting it. I think it may have been overexaggerated. It is pretty hard to know what the truth about anything is these days. I visited with Mr. Stevenson on two or three occasions. You may recall that he was at liberty to discuss matters with a number of his associates and friends here in Washington and elsewhere. He made certain recommendations to the Secretary of State. Some of those recommendations, while not final, were shared with others; some were discussed in broad outline and in draft, also with certain people inside and outside of the Congress. I had a chance to sit with Mr. Stevenson for several hours on two occasions.

My question is this. Was Mr. Stevenson ever consulted relating to this policy decision?

Mr. **Farley**. I am afraid that I cannot answer that question from my own knowledge.

Senator **Green**. Do you want additional time to present the full story?

Mr. **White**. Sir, that is the discussion——

Senator **Humphrey**. I would like to have you come back to ask you questions.

Mr. **White**. I will be delighted to return.

Senator **Green**. We will adjourn for 15 minutes and then we will reassemble.

[Short recess.]

The **Chairman**. Where were you?

NUCLEAR WEAPONS IN GERMANY

Mr. **White**. Sir, we had pretty well completed the formal description of the agreements and had shifted to some questions which Senator Humphrey had raised at the moment of the rollcall, and it was agreed that we would stay on until after the rollcall and then resume discussion of some other questions which he said he had.

The **Chairman**. The principal criticisms that the letters I receive seem to be concerned with is that such agreement with Germany would preclude any later agreements regarding nuclear restrictions and variations in the nuclear free zone or make it much more difficult to arrive at any control agreements because this would give Germany an irrevocable right to nuclear weapons. Is there anything to that argument?

Mr. **White**. Of course, under the treaty Germany is prohibited from manufacturing nuclear weapons. Under this agreement they still do not possess any nuclear warheads. We were discussing during the recess, in view of the types of questions which the committee has received, the question of whether it would be helpful to the committee if we got together and prepared an unclassified statement which would be responsive to the types of questions raised by the public, and which the committee would then have available for such use as it would like to make of it.

If you think that would be helpful, we can put that together very rapidly.

The CHAIRMAN. I think it would, as this gets more publicity, which it undoubtedly will when the reports are publicized. When is the Joint Committee going to make the report?

Mr. MARCY. They announced they were going to make it today. I don't know if it has actually been issued. I think tomorrow morning.

The CHAIRMAN. You will probably get more letters. I think an official unclassified statement of the significance of the agreements, especially the one with Germany, which is the one around which it has been centered, would help. However, I guess you would not want to pick out one. It would look as if you were picking Germany as an example. I suppose it would have to be with all four of them, giving an unclassified statement which we could use either in the committee or by the individual members.

It might be very helpful.

Mr. WHITE. I would be delighted to.

The CHAIRMAN. [Deleted.]

Mr. FARLEY. [Deleted.]

The CHAIRMAN. [Deleted.]

Mr. FARLEY. [Deleted.]

The CHAIRMAN. [Deleted.]

Mr. FARLEY. [Deleted.]

The CHAIRMAN. [Deleted.]

Mr. FARLEY. [Deleted.]

The CHAIRMAN. [Deleted.]

Mr. FARLEY. [Deleted.]

PROSPECTS FOR ARMS CONTROL NEGOTIATIONS

The CHAIRMAN. Those of us who are not on the Joint Committee on Atomic Energy would not understand these without prolonged study anyway. Is it a fair conclusion in your mind that this in no way would inhibit the conclusion of agreement regarding limitation of nuclear weapons in Western and Central Europe?

The existence of these agreements will in no way inhibit that assuming that in the negotiations in Geneva this country and Russia could agree otherwise; is that true?

Mr. FARLEY. That is our firm conclusion, sir.

The CHAIRMAN. In your opinion, is there nothing to the argument that this in some way limits our freedom of action?

Mr. FARLEY. That is our opinion.

The CHAIRMAN. That has been one of the main bases of the letters that I got, that we are tying our hands and putting our destiny into the hands of Germany and other allies. But you think that is absolutely without foundation.

Mr. **Farley**. That is our belief.

Mr. **White**. I think we can cover that satisfactorily in an unclassified statement.

The **Chairman**. I think it would be useful to have a statement that this in no way interferes with those negotiations which we are attempting, for the limitation of nuclear armaments, whether by testing or whatever the method.

Senator **Carlson**. I agree with the chairman that when this is released, if it is tomorrow morning, we will soon get some mail.

The **Chairman**. And I think it would be a good idea to have an answer, if you all can give us such a statement by tomorrow or the next day.

[Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. Have you any other questions, Senator?

Senator **Carlson**. I see one here that I think ought to be asked. What effect might the proposed agreements have on the possibility of an atom-free zone in Europe, in view of the meetings that we are holding in Geneva at the present time to try to work out some kind of arrangement? Let's assume we adopt these agreements. What effect might it have in the future in trying to work out agreement?

Mr. **White**. We don't think that this will have any effect on any agreement which we would be prepared to negotiate in terms of controlled disarmament with adequate inspection or anything of that kind. The proposals which have been made by the Soviet Union or by any of the satellites have all been of a character which would leave our NATO Allies virtually helpless in the face of a Russian opponent, which would still have plenty of territory on which to base its atomic missiles aimed at the NATO area.

For that reason it is quite unacceptable to us.

NUCLEAR STOCKPILES

Senator **Carlson**. Is it not true that once these atomic stockpiles are placed in an area—for instance, in these several proposed countries—it is practically impossible to detect them?

Mr. **White**. I will have to defer on that question.

Mr. **Lang**. I might say, sir, that the stockpile sites are not readily identifiable as such. But of course, their location would be known to our NATO Allies.

Senator **Carlson**. I think that is all, Mr. Chairman.

The **Chairman**. I had to step out when you started the German thing. I heard the first part of your statement on the four countries. None of them gets anything other than the delivery machinery mechanism.

They do not get control of nuclear material; is that correct?

Mr. **White**. That's right, sir.

The **Chairman**. Not only for weapons. Do they get any fuel such as France gets, which might be used for nonmilitary purposes?

Mr. **White**. There is no provision in these agreements.

The **Chairman**. If they do, it is under other agreements.

Mr. WHITE. It would have to be under another agreement, sir.

The CHAIRMAN. Don't these agreements provide for the sale of fuel or anything?

Mr. WHITE. No, sir.

Mr. FARLEY. I might make clear, sir, that we are not permitted under the Atomic Energy Act to furnish these nuclear materials for atomic weapons manufacture except to a country that already has its own atomic weapons capability, like the United Kingdom.

The CHAIRMAN. What is the price of that fuel you are selling France?

FUEL COSTS

Mr. FARLEY. As I recall, it is about $16 a gram.

The CHAIRMAN. When you say it is commercial, is that our costs?

Mr. FARLEY. Yes; we have established a published schedule of prices for enriched uranium and the sale to France is at this published scale of prices.

The CHAIRMAN. Sixteen dollars a gram. Is there a way of translating how much a gram will produce in the way of heat? How many tons of coal is a gram?

Mr. FARLEY. I'm sorry; if I did it would be a guess that would mislead you rather than help you.

Mr. WHITE. We will be glad to get that.

The CHAIRMAN. No; that was just idle curiosity. I don't know that it would do me a bit of good. Is that very much more expensive than a comparable amount of Btu's that would be recoverable from coal or oil?

Mr. FARLEY. It is actually pretty close at this point.

That is really what we mean when we say that these nuclear power reactors are still in a developmental stage.

You can get heat out of this in commercially usable quantities, but so far the cost has been a little higher per kilowatt hour, say, than the costs for conventional thermal power plants. And the justification for using it in a submarine is just that the fuel is so much more compact that it has operational advantages that justify that additional cost.

The CHAIRMAN. Yes; I can see that. A gram is, you say, $16 now. What did it cost 3 to 5 years ago; do you know? Has there been any material change?

Mr. FARLEY. I believe this is the original published price. You see, it was only with the amendment to the Atomic Energy Act in 1954, that we were able to sell this material to other countries, so it was quite late in the game that we had to set a price. Before that it was all going on our own AEC's program.

The CHAIRMAN. Has there been any substantial decrease in the cost?

Mr. FARLEY. There has been a marked reduction in the cost of production since the early 1940's.

The CHAIRMAN. Didn't I see a piece in the paper not long ago that there recently had been the discovery of a vast deposit in Canada that threatened to break the market in uranium?

Mr. FARLEY. We have been talking about two things. One is the cost of getting the raw natural uranium out of the ground, sir.

The CHAIRMAN. Yes.

Mr. **Farley**. That has gone down in almost all cases because the search has found extensive deposits, and the one in Canada you refer to is one such.

The **Chairman**. Is it very large?

Mr. **Farley**. Yes. I was referring also to the cost, in a plant like Oak Ridge, of taking that natural uranium and making enriched U–235; that is the bomb or reactor fuel. That also has been markedly reduced by our Atomic Energy Commission and its contractors in the past 15 years, sir.

Senator **Carlson**. Those of us who were in Canada 2 weeks ago heard from the Canadian people a very critical complaint, that they were forced to close some of their mines and they will be forced to close more. They tried to give the impression, at least, that we had requested them to build these great factories and they wanted us to come in with some financial assistance.

So there is uranium running out of our ears in Canada.

Mr. **Farley**. This is a general problem worldwide. In the late 1940's and early 1950's even we were not aware of the availability of uranium in nature. Our Atomic Energy Commission launched a worldwide development program including a very extensive program in the Western States of the United States. This succeeded beyond expectations.

As a result we are reaching the point where we can almost rely on our own production for uranium, and we have extensive mines located and developed in Canada and other countries. The contracts which were written do provide for a certain delivery and a certain termination period.

But beyond that there are grave problems of equity between us and Canada and potentially some other countries, and our own uranium miners are very concerned about this situation.

Mr. **White**. Basically, our approach on the Canadian contracts is to give them a 5-year contract at a contract price which would enable them to amortize their investment over the 5 years. In practice, some of them have done a little better than that. Some of them are about hitting it on the beam, and some of them have had heavy overruns on their investment.

They either miscalculated or in one case they ran into a lot of water; and they are the ones who have the greatest financial problem.

As Ray has said, the 5 years will be up in 1963, and our expansion in the Western States has been so great that we don't really need to find sources for any large amount; so they are apprehensive that they are going to be out of business.

The **Chairman**. Isn't the limiting factor the capacity to reduce the ore to the enriched fuel?

Mr. **Farley**. I would describe the limiting factor as the demand.

The **Chairman**. At a cheaper price there would be a demand, wouldn't there?

Mr. **Farley**. At this point, I think the answer is no.

The **Chairman**. Why not?

Mr. **Farley**. You see, the cost of the natural uranium is such a small part of the cost of power from one of the big nuclear power reactors that even if it were almost free, there still would be an economic problem in building power reactors, sir.

The **Chairman**. Oh; is the reactor the limiting factor?

Mr. **Farley**. [Deleted.]

PEACEFUL USES FOR NUCLEAR POWER

Senator **Carlson**. [Deleted.]

Mr. **White**. [Deleted.]

The **Chairman**. Don't the Canadians have any facilities for producing the enriched fuel?

Mr. **Farley**. They do not have a plant of the Oak Ridge type, in which enriched fuel is produced. They would not economically be able to justify it because they have only one power reactor under construction, and this is just not a market for such a facility.

The **Chairman**. Is the Oak Ridge plant still considered a modern plant?

Mr. **Farley**. Yes.

The **Chairman**. Then is the method they use still the best?

Mr. **Farley**. The Atomic Energy Commission modernizes the plant as it develops improvements. It has two other major facilities.

But it does modernize the Oak Ridge plant, too.

Senator **Lausche**. Which are the other two?

Mr. **Farley**. Porstmouth and Paducah.

Senator **Lausche**. Portsmouth, where?

Mr. **Farley**. Portsmouth, Ohio; Paducah, Ky. We could discuss where the electric power for these comes from.

The **Chairman**. Have you any more questions?

Senator **Lausche**. I was going to ask some questions.

In determining the course that we are following, I suppose that the military position of the Soviet Union has been considered.

Mr. **White**. Yes, sir.

THE SOVIET MILITARY POSITION

Senator **Lausche**. Now, then, in considering the military position of the Soviet Union, one, you can assume that they have done nothing toward placing their nuclear weapons in a position where they will be of maximum strength in sustaining their objectives. Two, they have done nothing toward using their nuclear weapons in fortifying their positions in the satellite nations and in the immediate vicinity.

I am making two assumptions. Did you notice that?

Mr. **White**. I agree with your first assumption but the second, I don't.

Senator **Lausche**. That is that they have done nothing toward placing their nuclear equipment in such a position that it will produce maximum strength.

Mr. **White**. We assume that in many cases they have placed their atomic capability where it is usable; yes, sir.

Senator **Lausche**. I thought that in the statement you read, you have concluded that they have done the maximum in placing their nuclear equipment in Eastern Europe to achieve their objective without actually placing it in the hands of the satellites of whom they have a fear.

Mr. **White**. It is a question of who is in possession, yes.

It is our understanding that up to now the Soviets have maintained possession of their own atomic weapons.

Senator **Lausche**. They have maintained possession, but have they done anything that you know toward placing it in position of the greatest strategic use.

Mr. **White**. As I understand it——

Senator **Lausche**. Let me make myself clear. If they have done nothing about using their short-range and long-range nuclear potential in satellite Europe——

Mr. **White**. Well, they have their own atomic forces in satellite Europe.

Senator **Lausche**. That is what I want to get to. What is your judgment about the use they have made of their atomic forces in satellite Europe?

Mr. **Fessenden**. Well, sir, we have indication that their forces in satellite Europe and in East Germany are equipped with missiles and with nuclear capable weapons.

Senator **Lausche**. That is the point I want to make. Now, then, we are either going to do something about it to meet that position or do nothing.

Mr. **White**. That's right.

Senator **Lausche**. And are you proposing that we make these agreements with our NATO Allies to offset what they have already done in satellite and Eastern Europe?

Mr. **Fessenden**. That's correct.

Mr. **White**. Yes, sir.

NUCLEAR COOPERATION DECISIONS

Senator **Lausche**. When was this movement to share knowlege in a limited degree started? You read from the 1957——

Mr. **White**. Yes. As far as the NATO countries generally are concerned, it began with the finding of the heads of government in December 1957 when they adopted the resolution pointing toward a cooperative nuclear defensive shield. Prior to that, there was cooperative development with the United Kingdom.

Mr. **Farley**. And a very limited cooperative arrangement with NATO generally as a result of the amendments of the new Atomic Energy Act of 1954. But the broad program which resulted in these agreements was agreed to in December 1957.

Senator **Lausche**. And at what type of meeting was that agreement made?

Mr. **White**. That was a meeting of the heads of government, the President and the Prime Ministers with their foreign secretaries.

Senator **Lausche**. And did you read the essence of their declaration about the needs in the face of their dangers?

Mr. **White**. Yes.

Senator **Lausche**. That was in December 1957. We are now in July 1959, and the major nations that participated in that declaration are continuing to work out arrangements with us.

Mr. **White**. Yes, sir. That was confirmed this May when we informed the NATO Council that we had negotiated these agreements and referendum, and the Council reaffirmed the need for them and its desire to go ahead with the program.

Senator **Lausche**. If there was any coercion practiced in December 1957, then practically 19 months have elapsed and there is some suggestion that we cajoled, intimidated and coerced those nations to change their minds voluntarily.

Mr. **White**. There has been no changing their minds, sir.

Senator **Lausche**. Now what about it? Is this their voluntary act or has our Nation imposed it on them?

Mr. **White**. No, sir. I am convinced that it is their voluntary act.

Senator **Lausche**. Well, so am I.

Now let's assume you have no information about the distribution by the Soviet Union of its nuclear weapons. Based upon our knowledge of their general activities, would we be justified in assuming that they have not distributed their nuclear weapons—short-range and long-range—to every satellite nation where they felt that they could safely do it?

Mr. **White**. Well, from what we know of the Soviet Union, I think the only safe assumption is that they have done what they consider to be best from their own military standpoint.

Senator **Lausche**. Not going forward with this program that you have submitted to us would then mean that we would be doing nothing while the Soviet Union has placed its nuclear weapons in strategic positions to make the maximum use of them.

Mr. **White**. That's right.

Senator **Lausche**. And you don't propose that our country should do nothing about it; is that the position you take?

Mr. **White**. That's right.

Senator **Lausche**. That is all I have.

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

Mr. **Farley**. [Deleted.]

The **Chairman**. [Deleted.]

THE SOVIET CAPABILITY

Senator **Lausche**. I have been on this committee now for 7 months, and in January I was left with the impression that there was some question as to whether the Soviet Union has developed the short-range missiles that could be used in immediate close battle. What is our understanding of that now? Do you have knowledge or do you assume that they have developed what you call the battle weapon?

Mr. **White**. The tactical missile? I will have to defer on that.

Mr. **Lang**. I have no information in that regard.

Mr. **Farley**. I would be very reluctant to testify with absolute confidence. I think it would be preferable if the CIA could advise you as to their knowledge on that.

Senator **Lausche**. Should we assume that with all the progress that they have made in the space satellites and other things that they have not developed the tactical missile?

Mr. **White**. I wouldn't want to make that assumption, sir.

Senator **Lausche**. Neither would I. We just have to assume that they suddenly became dumb in this profession.

The **Chairman**. Thank you very much, gentleman. You have been very helpful.

We will look forward to that unclassified statement.

Senator **Humphrey**. I just have a few general questions. We were discussing the attitude of the peoples of NATO countries and certain political and military leaders relating to the December NATO communique on the nuclear weapons system.

Reporting in the "New York Times" on December 18, 1957, Mr. Robert C. Doty had this to say:

> This formula of arm and negotiate, reconcile the U.S. preoccupation with military strengthening of the alliance and the European desire that the West should concurrently show its willingness to seek peace. The consensus was that the United States had attained its major objective namely, that agreement to have missiles in Europe for its defense at the price of modifying its Soviet answer to the Soviet Union on disarmament.

This refers back to the passage in the communique relating to a comprehensive system of disarmament.

Drew Middleton, reporting on December 17, 1957, in the "New York Times" said:

> Among the delegations from smaller nations there appears to be grave doubt whether further costly rearmament to reach a position of strength will result in conclusive agreements with the Soviet Union. One of the principal arguments for rearmament among nations not notably militarists has thus been weakened.

Then Russell Baker in the December 18, 1957, "New York Times" said:

> State Department officials in private conversation expressed surprise at the strong European sentiment manifested in Paris for renewed negotiations with the Soviet Union. In the Washington view this was the conference's big unexpected development. For it brought European statements into direct conflict with Secretary of State Dulles' repeated statements that negotiations with Moscow were inevitably futile.

Now there is a whole series of these statements that I have gleaned from the record through staff. Miss Goetz examined the newspapers at the time, and all of it adds up. For example, in the "New York Times" on December 19, M. S. Handler reported:

> There was substantial doubt tonight that the West German Army would be equipped with intermediate range ballistic and nuclear warheads to be supplied by the United States . . . Herr Strauss [West German Defense Minister], explained to German reporters the military consideration that militated against the stationing of missiles and nuclear warheads in those sections of West Germany defended by German forces. . . . According to unconfirmed reports, the West Germans share the view that, at the very least, strategic weapons should most certainly be excluded from all German territory situated east of the Rhine.

It goes on and on. What this builds up to is that there was strong resistance to the acceptance of the proposal of having agreements relating to nuclear weapons in the NATO forces, particularly those weapons being stationed in NATO territory. Would you like to comment?

Mr. **White**. I will ask Mr. Farley to comment on the period that some of your quotations cited, December 1957, and I will be glad to talk about the current picture as we see it, sir.

THE ATTITUDE OF NATO COUNTRIES

Mr. **Farley**. Perhaps I could answer the question directly first. I think what those quotations illustrate is the fact that our allies were suspicious of any move which was solely military, which saw no future except continual buildup of military strength for no purpose except military confrontation.

An outcome of the meeting was a more balanced program. The one reservation I would enter to all the quotations you read is to any implications that our proposals were solely for military buildup, and indeed, the military buildup was something that we proposed, sponsored and offered because we were the prime source of military strength. But we met our European Allies more than halfway on the point that as one of your quotations said, we do arm to negotiate, and that we do recognize the relationship between this activity and the subsequent political negotiations which justify it.

Senator Humphrey. The reason I read these quotations is that the President, in his message about the agreements that we are now discussing, indicated that these agreements rested upon the 1957 NATO communique, and I was attempting to bring out that he had quoted only in part from that communique.

I was wondering whether or not adequate attention had been given to the resistance that was evident in Western Europe in December 1957 as well as the importance of the disarmament aspects of the communique.

Mr. Farley. I believe certainly that that element is not current in the letters. I believe it is apparent in the fact that almost since that period we have been engaged in either the preparation for negotiations or in negotiations on such matters as the test suspension, and we now have, of course, the other negotiations in Geneva. While these are not referred to, they are also part of the broad pattern of our foreign policy, and the relationship is as it appears in the heads of government communique which identifies both elements.

Senator Humphrey. As I have attempted to say, these quotations of some 18 months ago are read today to suggest that perhaps the European countries in NATO have reservations about a defense strategy based primarily on the concept of nuclear retaliation.

They also suggest that the communique of the 1957 meeting had a twin feature, defense and disarmament, but that the President and his advisers, in using the 1957 communique as a reason for the need for the present agreements, neglected to point out the emphasis placed on disarmament by the European countries.

Now this is the kind of thinking that is expressed to me in a number of communications which the Subcommittee on Disarmament receives and thereby comes to my attention, and which I receive in my capacity as an individual U.S. Senator. If these tentative conclusions are in error, it gives you an opportunity through this process of interrogation to correct any misconception or any error that may exist.

Mr. Farley. Senator, before you returned we had agreed with the chairman of the committee that we would prepare promptly an unclassified statement covering some of these points which would be made available to you and the other members of the committee for such use as it might be to you.

Senator Humphrey. And of course you will examine the whole testimony record here for whatever release purpose can be made of it, isn't that correct? You go over the testimony.

[Discussion off the record.]

Mr. WHITE. We will be very happy to prepare an unclassified statement which certainly will contain some of the material we have discussed today. Other parts cannot be included, of course. But I think we can be responsive to the questions which you raised in your press release in an unclassified manner.

Senator HUMPHREY. I am asking those questions now.

Mr. WHITE. Yes.

Senator HUMPHREY. I would like to have the exchange, because these are questions that have bothered me and you have run into them in the other House.

Mr. WHITE. Not only that, but the public asks you these questions.

Senator HUMPHREY. And we get inquiries at the committee and subcommittee level. So if you could by examining the record—you are entitled to do that, of course—extract whatever you wish of the questions and answers between Senator Humphrey and the witnesses, it would be helpful.

Mr. WHITE. In some cases we would probably want to elaborate.

Senator HUMPHREY. I would appreciate that, if that could be done. Now I have another question.

Do these agreements take us further down the road of NATO defense policy consisting primarily of reliance on the use of nuclear weapons, be they strategic or tactical or both?

OVERALL DEFENSE STRATEGY AND POLICY

You know that there is a great argument that rages all the time among the so-called experts in the field of defense as to the validity or the soundness of our overall defense strategy and policy.

Again, I don't claim to be an expert on that, but upstairs right here in the Senate there is an argument at this moment on the Defense appropriation bill, as to whether there is too much reliance on the massive retaliation concept and not enough reliance on the so-called balance of forces or balance within forces.

Hansen Baldwin is one of the experts who has on occasion voiced his misgivings about the concept of a limited nuclear war in Europe and about the nuclear strategy that the agreements seem to embrace, and thus I think it is proper to draw a deduction.

What is your comment, if any, on this?

Mr. WHITE. On this we ascribe generally to the view of General Norstad, that these agreements are an essential element of the deterrent to general war, and are necessary to balance defense posture of the NATO shield forces. He pointed out that they have the additional functions of (a), preventing less than general war from occurring by this capability to deal with such an eventuality; (b), defending the NATO forward area; (c), providing the West with flexibility in the choice of means to resist blackmail or localized aggression; and (d), compelling an aggressor to pause and make a conscious decision whether to cease and desist or to persist in aggressive action, thereby bringing into play the Western retaliatory force.

Senator HUMPHREY. My feeling is that once you get involved in the use of nuclear weapons, whether they be large or small, you are in the nuclear war. Now there are differences of opinion over this. But I think those differences of opinion are about as valid as the conviction with which they are held.

There is no way of proving it. Some people have the idea that if you just have the massive striking power—SAC, big missiles, et cetera—this is all you need.

Obviously, the agreements that we are discussing now change that concept somewhat, because they are to be tactical weapons.

Mr. WHITE. Yes.

Senator HUMPHREY. Or missiles of intermediate range, and with nuclear or thermonuclear capability. Thus there must be some feeling that it takes more than just massive retaliation as a means of deterrence.

That deterrent concept is being altered or adjusted to include tactical nuclear weapons.

Then the next question that comes up is, if you ever have to use tactical nuclear weapons do you limit a war to a relatively minor skirmish or does it get to be an all-out big bomb, an intercontinental ballistic missile long-range bomber war?

People wonder and worry about these agreements, that they add fuel to the already bright embers and coals of international distrust and suspicion and fear.

Mr. WHITE. Yes. We think the alternative is worse, of course. If you don't have these, then you are really up against it with the Eurasian land mass, the tremendous number of troops that the Russians have, where they are stationed, and all of that; the temptation for the Russians to go ahead with the type of nibbling away which they have done previously would be much greater.

SOVIET UNION WILL ARM ITS TROOPS SIMILARLY

Senator HUMPHREY. Of course, don't you have to presume that if these weapons are made available to our NATO Allies, even though under our immediate or controlling jurisdiction, the Soviet Union will also make weapons of similar nature available to its own troops, No. 1, up on the East German-Polish frontiers, and No. 2, to its satellite troops?

Mr. WHITE. We assume in the first instance that that is what they are doing. We are unconvinced as yet that they plan to do that with their satellites.

Senator HUMPHREY. My third question is, have the United States and its NATO Allies satisfied themselves that these agreements, particularly the agreement with West Germany, will not jeopardize our efforts to make progress on the control and reduction of armaments?

Mr. FARLEY. This is our belief. We considered this matter very carefully, I would like to add, at the time we originally requested the Congress to amend the Atomic Energy Act to permit agreements of this nature. It is our belief that controlled disarmament has to be negotiated in agreements which are balanced and are effectively enforced, and that necessary measures for self- or for collective defense of this nature do not in any way prejudice our ability to enter into and conclude such negotiations. In particular, these implementing actions in no way conflict with any of our specific disarmament goals.

Senator HUMPHREY. There is surely a very heated controversy over what the impact of this will be on international relations with the Soviet Union, particularly because of the agreement with West Germany.

I think it is rather difficult to be objective about West German rearmament. Many people are so emotional about it here and abroad that it does not seem to make any sense at all even to discuss it.

Others are so convinced that it is absolutely essential, that there is no real give-and-take of discussion.

I had a feeling in my limited travels, Mr. Farley, that there was considerable concern in Western Europe over West Germany's having within its borders these nuclear weapons, and West German forces' being trained to use them.

I don't think that concern is as evident in the United States as it is in other areas.

Is it your testimony, balancing the problems resulting from any of these decisions, that this agreement with West Germany is the least of the difficulties?

Mr. **Farley**. It is our belief that it is a necessary and desirable course of action. It is clearly the least of difficult courses, all of which are difficult. We do believe it is important to German neighbors to attempt to see emerging West German military capability integrated with that of the alliance.

We believe that the steps we have taken see that industrial Germany does have access to nuclear weapons without being forced to develop its own production capability, as it could do. It is the most reasonable measure to take at this time to continue to hold the situation within reasonable bounds. In that sense, I think it is the best and most moderate course we can take in the necessary collective defense effort.

EXPANSION OF THE NUCLEAR CLUB

Senator **Humphrey**. Do I properly interpret from your remarks that these agreements tend to remove or lessen the need and the desire on the part of other nations for the expansion of the membership in the nuclear club by production of their own nuclear materials?

Mr. **Farley**. That is our conviction, and one of our expressed policies in proposing the original amendments to the Atomic Energy Act.

We were well aware that nothing the United States can do by itself can guarantee that another industrial country will not attain a nuclear weapons capability.

We do believe there are actions we can take which will remove some of the incentives for them to do this. One of the actions is to ensure within the framework of an alliance, that nuclear weapons will be available for them to use in their defense, without their having to go through the expense of production, which at the same time means that there is then an independent ability to start nuclear war, to take independent action.

We believe this is a course which gives us the best protection for that policy of the United States.

Senator **Humphrey**. I sometimes feel that we do not give proper attention to the deep fear and the emotional bitterness which exists in Eastern Europe as well as in other parts of Europe—and, of course, in the Soviet Union—relating to the German Armies. The Russians and the people of Eastern Europe suffered a great deal only a short time ago from German Armies, and they may not feel so secure over the prospect of a Germany armed with nuclear weapons.

That is why I asked whether or not this particular agreement with West Germany would tend to make it more difficult for us ever to look forward hopefully to any kind of limited disarmament or reduction of forces or improved international relations with the Soviet Union.

What is your feeling about that?

Mr. WHITE. We think that on balance, this sort of an approach will, if anything, provide a more practical basis for negotiating with the Soviets at some future date. We think that to the degree that they have a preponderance of power in any area, they will be less inclined to negotiate.

Senator HUMPHREY. One question just popped into my mind. These agreements relate to NATO countries.

Mr. WHITE. Yes, sir.

Senator HUMPHREY. Within the confines and the frame of reference of the NATO Treaty.

Mr. WHITE. That is correct.

NATO CONTROL OVER NUCLEAR WEAPONS USE

Senator HUMPHREY. Therefore, if, for example, the West German forces were trained to utilize atomic weapons, is it correct to assume or to state that the use of atomic weapons, if ever, by West German forces would be under NATO command and not under just sovereign West German command for whatever purposes the West German sovereign command might have in mind?

Mr. WHITE. Yes; I think that in the foreseeable future, certainly our atomic stockpile and therefore the effective use of these delivery systems in a nuclear sense are under SACEUR; isn't that correct?

Mr. LANG. Yes; I think there are two factors here. One is that the United States actually has custody and control of the atomic weapon, and it is understood that if we release the weapons, they will be used in accordance with SACEUR's directives. They will not be used by the German forces per se.

Senator HUMPHREY. I think this is an important factor to be understood. I tried to explain this when I was at Geneva, Mr. Farley, when I was put through a press conference by a number of the European press correspondents. I tried to emphasize the nature of the NATO establishment and our understanding of it, and that any type of rearmament in which we were engaging was to strengthen NATO, and that NATO had its own command. And second, in reference to nuclear weapons, they are U.S. weapons; they are not internationalized. We do not lose control over them, and therefore even if they are given to other forces, they are given under a command setup over which we exercise jurisdiction. Is that right?

Mr. LANG. Yes, sir.

Senator HUMPHREY. Now here is where the problem comes in, and my good staff assistant here reminds me of something that was just beginning to tickle my brain structure but had not quite penetrated as yet.

The United Kingdom and France used NATO-supplied equipment in Suez, and France has used NATO supplied equipment in Algeria.

How are you going to assure, for example, in light of that experience that materiel, atomic material and weapons would not fall prey to the same kind of disregard for jurisdictional rights on the part of the United States?

Mr. **Farley**. In the first place, the nuclear warheads remain in our custody, so we are protected by that actual custodianship with regard to the nuclear weapons, which are the integral and most important part of the nuclear weapons system.

With regard to delivery systems and other elements which we furnish, we have only the usual end-use checks and the fact that we are operating an alliance where major weapons like this are almost certainly going to be known as to their disposition.

FOR DEFENSIVE USE ONLY

Senator **Humphrey**. In other words, you are saying that under regular NATO equipment—such as tanks and field pieces and small arms and even planes and so forth—our military assistance program to the NATO Allies does not leave jurisdiction of these weapons in the United States. There is an agreement signed, so to speak, that they shall not be used except for NATO purposes and they shall not be used for purposes of aggression, either, which is supposed to be a self-enforcing provision but sometimes is not.

We saw that surely in the Suez case and in Algeria. But in the instance of the nuclear weapon, actual physical possession of that weapon is in the hands of the United States, up until that moment that it would be utilized for defensive purposes, and that would be defensive purposes in joint defense. This is the point that I want to get into the record.

Mr. **White**. That's right, under SACEUR.

Senator **Humphrey**. And it would be in joint defense, not in unilateral or in a nationalistic sense of defense. It would not be as if Belgium was defending itself from the Congo and thereby was able to get nuclear weapons, or better yet, to take a pertinent example, as if The Netherlands was defending itself from Indonesia or West Guinea, and therefore was able to get nuclear weapons from the United States which could control the use thereof.

That would not be the case, would it?

Mr. **Farley**. That is correct.

This system actually builds in by its very nature a guarantee that it will be joint use since the delivery system is in the hands of one country and the warhead in the hands of another.

Senator **Humphrey**. I just wanted to explore this a little bit because this is going to be a rather controversial subject. I don't want to keep you very much longer, but the President made the statement that any alliance depends in the last analysis upon the sense of shared mutual interest amongst its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defense planning.

Therefore, my fourth question is this: If, as the President said, the strength of any alliance depends in the last analysis upon the sense of shared mutual interest amongst its members, then will this not also be true with the Warsaw Pact? If we increase our sharing of nuclear weapons and parts with our NATO Allies, will this not lead to the introduction of nuclear weapons and parts into Poland, Hungary, Bulgaria, Rumania, and Czechoslovakia, and is it in the interest of

NATO to have the nations of Eastern Europe armed with nuclear weapons?

We have gone over this. I have alluded to this two or three times. As I understand your answer, you have reason to believe that the Soviet Union would hesitate to arm the satellite countries' divisions or troops, but would undoubtedly arm its own.

Mr. WHITE. That's right.

Senator HUMPHREY. And maybe it has; is that it?

Mr. WHITE. Yes. We think, knowing something of their military dispositions, they don't have the same need as we have, vis-a-vis our allies. Second, we don't think that they are on the same basis with their so-called allies that we are.

And not having an imperative need, and in view of the distrust in the satellite areas, we doubt that it is either necessary or desirable from their standpoint to proceed along those lines.

Senator HUMPHREY. This, of course, is debatable, but let it suffice for the moment.

SHARING WITH OTHER MILITARY PACT MEMBERS

Now let me ask you this. If the NATO Alliance depends upon this sense of sharing, trust, and indeed—in this instance at least—sharing and ultimate use of nuclear weapons information, what arguments do you advance that this does not apply to the Baghdad Pact or the Rio Treaty or the SEATO Pact, to be more direct—we are a full member of the SEATO Pact—or our treaty with Nationalist China and with South Korea. In other words, where does this nuclear rearmament stop?

Mr. WHITE. Sir, this program which we have at the moment revolves entirely around the NATO decision of December 1957. It is a conscious decision on their part and on ours; and that is as far as we have gone.

Senator HUMPHREY. I know that is as far as you have gone, but you establish a precedent. Let's be very frank about it. We have very deep commitments to Nationalist China. I was one of the members of this committee, and the Senate who voted for that treaty with some very serious misgivings; nevertheless, I voted for it, and therefore I am held accountable. As I have said to many of my friends and neighbors, we ought to remember that we have voted to sacrifice the last American and the last dollar and the last of everything that we have in the defense of Formosa. That is what that treaty says, if we are honorable people, if I read the language of the treaty correctly.

I am not arguing about offshore islands now, but I am talking about Formosa and the Pescadores. There isn't any doubt that we really made a commitment. Now having made that commitment, why shouldn't we share nuclear information with the Nationalist Chinese Government on Formosa just as we share it with France, The Netherlands, Greece or Turkey?

Mr. FARLEY. We believe that these cases are to be decided on their merits as military-political decisions, and on the basis of the authority and policy that the Congress has laid down in the Atomic Energy Act.

I think the NATO example is pertinent. That was a joint examination by the military authorities of all the major countries, which concluded that nuclear weapons were necessary for the defense of NATO.

There was then a conclusion that various members of NATO should have a nuclear-capable delivery forces and that the United States should provide the nuclear weapons under the NATO stockpile arrangement.

This involved ascertaining the technical capabilities of the members either to construct or to operate the delivery systems. It involved determinations that the security systems were adequate to protect the very sensitive information. Finally, it involved a determination on our part that this was the best way to achieve a defense capability here. These are three very difficult criteria to meet. This is a program which has been developing in NATO for 5 years, since 1954. So there is no inherent reason why this could not be applied. In the other alliances, if one looks at the criteria I have outlined, I think it is possible to see why this is not imminent in any of these cases at the moment. But they are by no means excluded.

Senator Humphrey. I hope not, because I am sure there would be some misgivings as to the Baghdad Pact, even though we are not an official member.

We are a member of the military committee and we participate in the military decisions. The SEATO Pact is a firm commitment on the part of our Government, and I gather that the basic amendment to the Atomic Energy Act would give legal authority at least to the——

Mr. Farley. If we could make these three very important determinations of the security of the countries, of their technical ability to use the weapons, the fact is that this way of providing an atomic capability within SEATO is better than the present means in which that capability rests in the United States alone.

Senator Humphrey. We discussed the prevention of the proliferation of nuclear weapons amongst many countries, and I gather you argue that this lends itself toward prevention of the extension of and expansion of nuclear weaponry on the part of other countries; is that correct?

PREVENTING EXTENSION OF NUCLEAR WEAPONRY

Mr. Farley. That is correct. I might add that we believe that this is a problem which, as I said before, is not completely in our power to control. However, we do what we can to prevent this extension, and as you are aware, we have three principal ways of doing it. One is the nuclear test suspension negotiations with which you are familiar. Another is the program whereby nuclear weapons are made available to our industrially most advanced allies in a way which makes it necessary for them to undertake that activity.

The third is our program of providing assistance in the peaceful uses of atomic energy, particularly in large power reactors that produce weapon material as a byproduct, providing such assistance only under safeguards to ensure that the byproducts are not used for weapons system purposes.

Mr. White. I believe I mentioned when you were absent, sir, that the French situation is something of an exception to this. In the first instance it is not one of these four countries where we have this weapons type of agreement, but it is a country which is making every effort to achieve atomic capability. I thought I had better mention that.

We are making general statements here which apply generally, but our appraisal of the French situation is somewhat different.

Senator HUMPHREY. Yes. One of the complaints that I have heard about these agreements is their nebulous and less-than-precise character in language and terminology, the vagueness of them. For example, we do not know what information and what materials will be given to certain countries. In the German agreement, there appears to be an inconsistency. Article 3 states:

> The Government of the United States will transfer to the government of the Federal Republic of Germany subject to terms and conditions to be agreed non-nuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving the German state of training and operational readiness.

But article 4(b) provides:

> Under this agreement there will be no transfer by either party of atomic weapons, non-nuclear parts of atomic weapons or special nuclear materials.

Article 10 does contain some definitions. But even with these attempts to draw a certain distinction, a dividing line is far from clear between non-nuclear parts of atomic weapons systems involving restricted data which can be transferred under the proposed agreement and the non-nuclear parts of atomic weapons which cannot be transferred under the proposed agreement.

What do you say, Mr. Farley?

Mr. FARLEY. I must agree that this is not an easy distinction to read from these agreements. I believe that as a legal document, each of these agreements is a precise agreement. They are not self-explanatory. I very much hope that the report of the Joint Committee will go to some length to explain just what these do relate to. [Deleted.]

TREMENDOUS FOREIGN POLICY IMPLICATIONS

Senator HUMPHREY. I think that when these agreements are brought to the attention of the Congress, they ought to be brought to the attention of not only the Joint Committee on Atomic Energy, which apparently has jurisdiction under the current law, but the Atomic Energy Committee and the Foreign Relations Committee because there are tremendous foreign policy implications and it is quite well known by now that I feel that to merely look at the weaponry and scientific aspects of nuclear technology and to downgrade or to underevaluate or underestimate the foreign policy implications is very serious and dangerous.

It is one thing to talk about these weapons in terms of overall striking power, firepower, defensive power or offensive power as an academic or theoretical exercise in military tactics, war plans or defense plans. But it is another thing to evaluate them as to their effect upon foreign policy decisions, on our part and on the part of other nations who see this new technology of nuclear weapons as a threat to them.

It is another thing to try to properly evaluate the emotion and fear and general unrest that seems to come about when you discuss nuclear and thermonuclear weapons. That is why I believe that these agreements are of such importance that they belong not in one committee but indeed in a joint operation.

In fact, if I had my way I would have a Joint Committee on Armed Services and Foreign Relations, but at least Joint Committee and Foreign Relations, because we do take a little different point of view here from the Joint Committee. I know there are members of the Joint

Committee on this committee, but they are surely a minority. I, for one, think we ought to examine every word of these agreements.

I want to know what their implication is, what these words mean and what commitments—not merely atomic commitments—we are making. The atomic commitments that we are making can be understood by an atomic scientist. I want to know the political implications of the atomic commitments that we are making. This gets down to fundamental foreign policy, and somewhere along the line I think you gentlemen ought to recommend at least to your superiors in the Cabinet of the U.S. Government that there be thoughtful consideration given if need be to the amendment of the amendment of the Atomic Energy Act, and second, maybe a practical suggestion and guideline on this from the executive branch of the Government to the Congress.

Do you have any comment, Mr. Farley?

Mr. Farley. I just state for the record, sir, that the President submits these agreements to the President of the Senate and the Speaker of the House. We do not of course in any way determine what committee we refer them to. I have no other comment.

Mr. White. Aside from this question——

Mr. Farley. We welcome the opportunity to appear before this committee.

Mr. White. Yes; we have been delighted to be up here this afternoon.

Senator Humphrey. You have been very cooperative; I want you to know that, and I am most appreciative.

Mr. White. If any questions come up in the future, call us back any time. But in the meantime we will hammer out an unclassified statement directed at both questions raised previously and those raised by you, Senator. I think we can deal in very large part with some of what I am convinced are misapprehensions among the public, but they are understandably so.

Senator Humphrey. There are apt to be misapprehensions about nuclear weapons and nuclear technology, simply because it is so hush-hush, and I do appreciate your willingness to give us the nonclassified layman's explanation of what these things are all about so that when we publish these hearings—and I think we ought to publish the unclassified part—the public and those concerned persons can see what has been said.

PROSPECTS FOR AN ATOM-FREE ZONE IN EUROPE

Now my final question to you: What effect might the proposed agreements have on the possibility of atom-free zone in Europe?

For example, it is considered almost impossible to inspect an atomic stockpile once it has been stored and hidden. This has been testified to again and again. If this is true, do not the agreements seem to preclude an inspection and control system for nuclear weapons in Europe wherever these weapons have been stored?

Mr. Farley. Senator, I believe this does raise two different matters. One is the question of actual attempts to secrete or hide nuclear weapons—which we are by no means attempting to do here other than the normal military security—and the other question is what will be the effect of having deployed nuclear weapons and made them available for NATO forces in a given area?

I believe that these agreements do not really bear on the problem of detecting hidden stocks of nuclear weapons. If we were simply trying to hide this, I think we could do without agreements.

As for the second point, the effect of these deployments, these arrangements in NATO and the possibilities of an atom-free zone, we believe that those possibilities are as open to negotiation as they ever were. This is an act of necessary self-defense which does not in any way tie our hands or diminish our efforts to achieve any sound measures of balanced disarmament.

And if it were concluded that as part of any European settlement there should be such a measure, the arrangements we have here would not be in themselves a bar.

Senator **Humphrey**. Are you indicating, then, that if concealment was the only purpose——

Mr. **Farley**. We would not go at that this way.

Senator **Humphrey**. But I am not so much concerned about what we would go at. I keep thinking that we are still honorable people. I am concerned about what the Soviets will do.

Does this open up a greater opportunity for them, in the name of their self-defense, to deposit large caches of weapons around in Eastern Europe, hide them out, and then after having carefully hidden them out under so-called agreements with its satellites, enter into a so-called atom-free zone that is full of atoms?

Mr. **Farley**. Unfortunately, I am afraid they have that opportunity now, and it is one of the fears that trouble us as we consider these atom-free zone proposals from the Soviet Union.

So I believe this does not change that situation.

Senator **Humphrey**. We may have some additional questions that we will want to submit to you.

Mr. **Farley**. By all means.

Senator **Humphrey**. The hour is mighty late and I am kind of tired tonight. I rode on an airplane all night long coming back from Los Angeles. Good night.

Mr. **White**. Thank you, sir.

[Whereupon, at 5:50 p.m. the committee adjourned.]

MINUTES

WEDNESDAY, JULY 15, 1959

United States Senate,
Subcommittee on African Affairs of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session in room F-53, Capitol, at 4:30 p.m.

Present: Chairman Kennedy, Senators Green, Lausche, Gore and Hickenlooper.

Sir Andrew Cohen, Representative of the United Kingdom to the U.N. Trusteeship Council, informally discussed matters in Africa with the subcommittee.

No transcript of the meeting was kept.

MINUTES

TUESDAY, JULY 21, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:45 a.m. in room F–53, Capitol.

Present: Senators Morse (presiding), Green (later presiding), Mansfield, Lausche, Church, Wiley, Hickenlooper, and Aiken.

The acting chairman announced that the first order of business was S. 2065, to amend Public Law 85–880 (providing for the participation of the United States in the World Science-Pan Pacific Exposition to be held in Seattle, Wash., in 1961).

Warren G. Magnuson, Senator from Washington, appeared in support of the measure.

At the suggestion of Senator Morse, the committee agreed to schedule further conferences with executive agencies on the bill.

The committee then heard T. Graydon Upton, Assistant Secretary of the Treasury, accompanied by others, on S. Con. Res. 11, to invite friendly and democratic nations to consult with India, but with particular reference to financial help which a commission, established by the resolution, might recommend. In this instance, Mr. Upton testified on the progress being made with the development of the International Development Association, after reviewing the history of IDA with respect to S. Res. 264, 85th Congress, agreed to July 23, 1958. It was determined that a final report on IDA would be made to Congress early in 1960, and that the feasibility of the study recommended by the terms of S. Con. Res. 11 (to be undertaken by said commission) was of value to explore.

For record of the proceedings, see the official transcript.

[Whereupon the committee adjourned at 12:25 p.m.]

MINUTES

WEDNESDAY, JULY 22, 1959

United States Senate,
Subcommittee on Claims of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 3:45 p.m. in room F–53, Capitol.

Present: Chairman Morse and Senator Carlson.

Donald G. Benn, Acting General Counsel, Foreign Claims Settlement Commission, was present to discuss with the subcommittee and staff various claims measures pending before it.

For record of the proceedings, see the official transcript.

[The subcommittee adjourned at 4:40 p.m.]

MINUTES

WEDNESDAY, JULY 22, 1959

United States Senate,
Subcommittee on American Republics Affairs,
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session in room F–63, Capitol, at 4:45 p.m.

Present: Chairman Morse, Senators Church and Hickenlooper.

Wallace Campbell and Mrs. Olive Clapper discussed the subject of the administration of CARE in Latin America.

No transcript of the meeting was kept.

MINUTES

THURSDAY, JULY 23, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met at 10:40 a.m. in room F–53, Capitol, in executive session.

Present: Chairman Fulbright, and Senators Mansfield, Long, Kennedy, Gore, Lausche, Church, Wiley, Hickenlooper, Aiken, and Carlson.

The chairman stated the first item on the agenda was S. 1660, to authorize Thomas F. McAllister of the U.S. Court of Appeals to accept and wear the decoration tendered him by the Government of France. Philip A. Hart, Senator from Michigan, appeared in support of the measure, following which, on motion by Senator Kennedy, seconded by Senator Mansfield, the bill (S. 1660) was ordered favorably reported with no objection.

On motion by Senator Carlson, seconded by Senator Long, the committee ordered favorably reported S. 252, to authorize Colonel Philip M. Whitney, USA, retired, to accept and wear the decoration tendered him by the Government of France.

The committee next considered H.R. 6587, to authorize certain Generals of the Army to accept and wear decorations, orders, medals, presents, and other things tendered them by foreign governments. On motion of Senator Long, seconded by Senator Carlson, the bill was unanimously reported.

The committee passed over until next year the bill (H.R. 5477), to authorize Major General Bernard W. Kearney, USA, retired, a former Member of Congress, to accept and wear the Philippine Legion of Honor in the degree of commander, conferred upon him by the Government of the Philippines.

The committee next considered S. 1590, claims involving the Governments of the United States and Iceland, one against the other, on which Major Moel J. Cipriano, of the Judge Advocate General's Office, Department of the Army, appeared and testified. At the conclusion of his presentation, the committee, on voice vote, agreed to report the bill favorably.

The committee on voice vote approved for report an original resolution in the amount of $10,000 to carry on the reporting and other expenses of the committee for the Congress.

Senator Long raised the question that, as chairman of the Subcommittee on Social and Economic Matters, if such subcommittee might have power to inquire in its field and jurisdiction in all agencies of the executive branch as distinguished from the Department of State. It was agreed that scope of coverage for the subcommittee, or any other of the committee's, was not limited, by the committee's official description of same, to the State Department.

Senator Humphrey called up, out of order, S. Con. Res. 48, to promote peace through the reduction of armaments. After discussion, Senator Long moved that the concurrent resolution be reported favorably, which was agreed to by unanimous vote.

S. Con. Res. 11, to invite friendly and democratic nations to consult with India, was announced as next in order.

The chairman interrupted its consideration to bring before the committee the subject of recent newspaper stories authored by Albert M. Colgrove for the Scripps-Howard Newspapers on U.S. foreign aid in Vietnam. The chairman said that after reflection he had considered it would be appropriate if the Subcommittee on State Department Organization and Public Affairs, under the chairmanship of Senator Mansfield, might undertake the explanation, examination and possible refutation of Mr. Colgrove's charges. As a matter of procedure it was agreed that all members of the committee be invited to participate in the hearings. Whereupon it was agreed to place the inquiry of the Vietnam situation, as alleged by the newspaper stories, under the direction of Senator Mansfield's subcommittee.

The chairman raised the question of consideration of pending passport legislation. After discussion, and on motion by Senator Long, it was decided that all action of same be postponed until January of next year.

The committee then returned to the consideration of S. Con. Res. 11, as modified. The concurrent resolution was further modified, and on motion by Senator Humphrey, the measure was ordered reported favorably to the Senate, by voice. After the vote, Senators Lausche and Hickenlooper asked that the record show them recorded in the negative.

Warren Magnuson, Senator from Washington, appeared on behalf of S. 2065, Century 21 Exposition. After his presentation of additional information on the bill, the committee adjourned at 12:20 p.m.

[For record of proceedings, see the official transcript.]

MINUTES

THURSDAY, JULY 23, 1959

United States Senate,
Subcommittee on American Republics Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met at 4:30 p.m. in executive session in room F-63, Capitol.

Present: Chairman Morse, Senators Aiken and Carlson.

The situations in Cuba and in other areas of Latin America were discussed.

No transcript was kept of the meeting's proceedings.

MINUTES

MONDAY, JULY 27, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee proceeded into executive session at 12:15 p.m. in room 4221, NSOB.

Present: Chairman Fulbright, Senators Lausche, Hickenlooper, and Aiken.

The order of business was stated by the chairman as S. 2130, to authorize a payment to the Government of Japan (in respect to the Bonin Islands).

J. Graham Parsons, Assistant Secretary of State for Far Eastern Affairs, accompanied by Robert H. Knight and Ely Maurer of the Department of State, testified on the measure.

At the conclusion of Secretary Parsons' testimony, the committee resumed its regular executive business.

The chairman stated that the nomination of Walter Newbold Walmsley to be Ambassador to Tunisia would be reported favorably without objection.

The committee passed over consideration of S. 1263, to extend certain privileges and immunities to judges of the International Court of Justice, and a proposed report by Senator Wayne Morse on S. 706, to amend Sec. 303 of the International Claims Act of 1949.

The committee agreed to report the following unanimously to the Senate:

Ex. C–86–1. Protocol of Amendment to the Convention of the Inter-American Institute of Agriculture Sciences.

Ex. F–86–1. Protocol to the Convention on the Duties and Rights of States in the Event of Civil Strife.

Ex. G–86–1. The Telegraph Regulations (Geneva revision, 1958) annexed to the International Telecommunication Convention (Buenos Aires, 1952).

The committee also agreed to the unanimous report of S. 2130 as above.

For record of proceedings, please see the official transcript.

[Whereupon at 1:12 p.m., the committee adjourned.]

MINUTES

MONDAY, AUGUST 3, 1959

United States Senate,
Subcommittee on North American
Regional Broadcasting Agreements and
Mexican Broadcasting Agreements
of the Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 4:15 p.m. in room 4221, NSOB.

Present: Chairman Morse, Senators Church, Aiken, and Carlson.

After discussion, it was concluded that the staff prepare a draft report for submission to the subcommittee members and to the FCC and other interested organizations, and that a hearing be conducted by the subcommittee within the first 3 weeks of the convening of the Senate in January in order to elicit comment on such draft, and other matters arising at that time in respect to the agreements.

For report of proceedings, see the official transcript.

[Whereupon the subcommittee adjourned at 4:55 p.m.]

MINUTES

TUESDAY, AUGUST 4, 1959

United States Senate,
Subcommittee on State Department
Organization and Public Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The Subcommittee on State Department Organization and Public Affairs met in executive session at 2:15 p.m. in room F-53, Capitol.

Present: Chairman Mansfield, and Senators Aiken and Capehart.

Also present: Senators Lausche, Hickenlooper, Wiley, and Carlson.

The order of business was an examination by the subcommittee into recent charges made by Albert M. Colgrove of the Scripps-Howard Newspapers against the administration of foreign aid in Vietnam, as ordered on July 23.

The chief of staff read a list of proposed witnesses suggested by Mr. Colgrove.

On a show of hands it was decided to hear witnesses and conduct future hearings in executive session. The chairman announced the result as 5 to 1, Senator Lausche dissenting.

Senator Lausche moved, seconded by Senator Capehart, that the witnesses be placed under subpoena, and this motion carried, 5 to 1, with Senator Mansfield dissenting.

On motion of Senator Capehart, it was unanimously decided to hear all witnesses in Washington, D.C.

The subcommittee then voted unanimously to hear Mr. Colgrove in closed session, and to permit General Williams to return to Vietnam, and to issue a statement at the conclusion of the meeting.

For record of the proceedings, see the official transcript.

[Accordingly, the subcommittee stood in recess at 2:55 p.m.]

MINUTES

TUESDAY, AUGUST 4, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 3:15 p.m. in room F–53, Capitol.

Present: Senators Humphrey (presiding), Green, Gore, Church, Wiley, and Aiken.

Under consideration was S. 1711, the international food for peace program.

After some amending of the bill, a new committee print was ordered for the next day's meeting.

For record of the proceedings, see the official transcript.

[Accordingly, the committee adjourned at 4:45 p.m.]

MINUTES

THURSDAY, AUGUST 6, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session in room F-53, Capitol, at 2:45 p.m.

Present: Chairman Fulbright, Senators Green, Humphrey, Morse, Church, Lausche, Wiley, Aiken, Carlson, and Mansfield.

Under consideration was the bill S. 1711, the international food for peace program.

After discussion, the committee voted to report the measure, as amended and modified, with the understanding that the committee would try to reach a procedural agreement with the Senate Committee on Agriculture as a recognition of its basic jurisdiction and as an example of concurrent jurisdiction for the Senate.

[NOTE.—No transcript was taken of this meeting.]

[The committee then adjourned.]

MINUTES

FRIDAY, AUGUST 7, 1959

United States Senate,
Subcommittee on American Republics Affairs,
of the Committee on Foreign Relations,
Washington, D.C.

The Subcommittee on American Republics Affairs held an informal discussion with Senator David of Haiti in room F-53, Capitol, 3:30 p.m. The session was executive.

Present: Chairman Morse, Senators Wiley and Carlson.

No record was kept of the discussion.

MINUTES

FRIDAY, AUGUST 7, 1959

United States Senate,
Subcommittee on State Department
Organization and Public Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The Subcommittee on State Department Organization and Public Affairs met in executive session at 10:40 a.m. in room F–53, Capitol.

Present: Chairman Mansfield, and Senators Green, Morse, Aiken, and Capehart.

Also present: Senators Fulbright, Lausche, Church, Hickenlooper, and Carlson.

The chairman of the subcommittee (Mr. Mansfield) outlined the various courses of action the subcommittee would follow in conducting its investigation of recent charges appearing in the Scripps-Howard press concerning alleged acts of maladministration in the foreign aid program in Vietnam.

A majority of the subcommittee (5), a quorum, was found to be present.

A majority of the whole committee was found to be present (9).

Albert M. Colgrove, of the Scripps-Howard Newspapers, appeared and was sworn as a witness.

During his testimony, the subcommittee, at 12:30 p.m., recessed until 2:30 p.m., when Mr. Colgrove would be called again to the stand.

Afternoon Session

The subcommittee reconvened at 2:30 p.m. in executive session in room F–53, Capitol.

Present: Chairman Mansfield, and Senators Fulbright, Carlson, and Long.

Mr. Colgrove resumed his testimony.

At the conclusion of his testimony and his questioning, Creighton Scott appeared and was sworn as the day's second witness.

For record of the proceedings, see the official transcript.

[At the conclusion of Mr. Scott's testimony, the subcommittee stood in recess until 2 p.m. Tuesday next, at 5:55 p.m.]

MINUTES

TUESDAY, AUGUST 11, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met at 10:40 a.m., in the committee room, room 4221, New Senate Office Building.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Lausche, Wiley, Hickenlooper, Aiken, and Carlson.

Also present: Senator Warren G. Magnuson.

The committee by voice vote confirmed the nominations of Elbert G. Mathews to be Ambassador to Liberia; Robert D. Murphy to be Under Secretary of State for Political Affairs; Livingston Merchant to the Deputy Under Secretary of State for Political Affairs; and Byron E. Blankinship and 146 routine nominations in the Foreign Service, for promotion in the Foreign Service.

Next the committee, by voice vote, approved the Convention with Norway Modifying the Convention of June 13, 1949, for the Avoidance of Double Taxation (Executive D, 85th Congress, 2d session); S. 1973, "To extend the Validity of the Passport to 3 years"; and S. Res. 146, "To express the sense of the Senate with Respect to the Negotiation of Treaties."

S. 1918, "To Amend the International Claims Settlement Act of 1949, as Amended, and for Other Purposes," was passed over for the present time.

Senator Magnuson then appeared in behalf of S. 2065, "To provide Federal assistance to the Seattle Exposition." The committee voted 9 to 2 to approve the bill with amendments.

For record of the proceedings, see the official transcript.

[At 12:10 p.m., the committee adjourned.]

MINUTES

TUESDAY, AUGUST 11, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND PUBLIC AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The Subcommittee on State Department Organization and Public Affairs met in executive session at 2:05 p.m. in room F-53, Capitol.

Present: Chairman Mansfield, and Senators Green, Aiken, and Capehart.

Also present: Senators Fulbright, Lausche, Wiley, and Carlson.

The chairman stated that the subcommittee was meeting to examine certain allegations regarding the administration of the foreign aid program in Vietnam and related subjects under its jurisdiction.

Wallace Gade was sworn as the first witness.

Following his testimony and questioning, Frank H. McIntosh was sworn as the second witness.

For record of the proceedings, see the official transcript.

[Following his testimony, he was excused, and at 5:15 p.m., the subcommittee recessed until 10:30 the following morning.]

MINUTES

WEDNESDAY, AUGUST 12, 1959

UNITED STATES SENATE,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND PUBLIC AFFAIRS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The Subcommittee on State Department Organization and Public Affairs met in executive session at 10:35 a.m. in room F-53, Capitol.

Present: Chairman Mansfield, and Senators Green and Capehart.

Also present were Senators Fulbright, Sparkman, and Carlson.

Elbridge Durbrow, Ambassador to the Republic of Vietnam, accompanied by Arthur Z. Gardiner, Director, United States Operations Mission in Vietnam, Leonard J. Saccio, International Cooperation Administration official, and Leland Barrows, also of the ICA, appeared and were sworn.

The subcommittee thereupon took their testimony relative to the administration of ICA aid in the Republic of Vietnam. Later, the subcommittee summoned Mr. Gerald K. Winfield of the ICA, and after swearing, took his testimony on the same subject.

[The subcommittee recessed at 12:30 p.m. until 2:30 p.m. the same day.]

AFTERNOON SESSION

The Subcommittee on State Department Organization and Public Affairs reconvened in executive session at 2:30 p.m. in room F-53, Capitol.

Present: Chairman Mansfield and Senator Morse.

Those attending later were Senators Fulbright, Carlson, Lausche, and Aiken.

The subcommittee resumed its taking of testimony on the Vietnam situation from the witnesses listed above.

For the record of the proceedings, see the official transcript.

[At the conclusion of their questioning, the subcommittee recessed at 4:10 p.m.]

MINUTES

THURSDAY, AUGUST 13, 1959

United States Senate,
Subcommittee on State Department
Organization and Public Affairs
of the Committee on Foreign Relations,
Washington, D.C.

The Subcommittee on State Department Organization and Public Affairs met in executive session at 10:50 a.m. in room F-53, Capitol.

Present: Chairman Mansfield and Senators Green and Aiken.

Also present were Senators Fulbright, Lausche, Hickenlooper, and Carlson.

The subcommittee chairman stated that the order of business was the desire of the subcommittee to receive testimony of additional witnesses on the Vietnam situation.

It was concluded that no further witnesses be summoned, but that statements might be taken from some who had been mentioned for prospective testimony and for the record.

The subcommittee concluded to release Ambassador Durbrow and Arthur Z. Gardiner from further questioning.

The subcommittee, in conjunction with other members present, decided that any field investigation of the Vietnam situation should be joined if possible to proposed trips into Indonesia and Australia by the members, and that staff investigation on the spot at Vietnam be conducted initially by members of the committee staff.

For report of the proceedings, see the official transcript.

[Whereupon, the subcommittee at 12:15 p.m. adjourned.]

MINUTES

THURSDAY, AUGUST 13, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee convened temporarily in executive session during consideration by its Subcommittee on State Department Organization and Public Affairs of the situation in Vietnam at 11:45 a.m. in room F-53, Capitol.

Present: Chairman Fulbright, and Senators Mansfield, Lausche, Hickenlooper, Aiken, and Carlson.

The chairman interrupted the other proceedings to say that he was having two State Department officials to come before the committee on Wednesday to talk about a proposed reorganization in the Department's exchange program and allied activities.

It was the consensus that the committee had some doubts about scheduling consideration of S. Res. 94, relating to the International Court of Justice (repeal of the so-called Connally reservation), and that the Department should be so informed.

The chairman also announced that the committee was meeting that afternoon with Douglas Dillon, of the Department of State, on the Indus Waters matter.

The chief of staff reported that it was very unlikely that the House Committee on Foreign Affairs would join in sending congressional representation by concurrent resolution to the Council of Europe and that in effect there would be no Senate participation as the consequence.

For record of the proceedings, see the official transcript.

[Whereupon, the meeting was turned back to the chairman of the subcommittee (Mr. Mansfield), who declared it adjourned at 12:15 p.m.]

MINUTES

THURSDAY, AUGUST 13, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met at 3:35 p.m. in room F-53, Capitol, in executive session.

Present: Chairman Fulbright, Senators Gore, Lausche, Wiley, Hickenlooper, Aiken, and Carlson.

C. Douglas Dillon, Acting Secretary of State, briefed the committee on the proposed agreement between Pakistan and India for the diversion of the waters of the Indus River system.

For record of the proceedings, see the official transcript.

[Following his presentation, the committee adjourned at 4:30 p.m.]

MINUTES

WEDNESDAY, AUGUST 19, 1959

United States Senate,
Subcommittee on Disarmament of the
Committee on Foreign Relations,
Wahington, D.C.

The subcommittee met in executive session at 4:05 p.m. in room F–53, Capitol.

Present: Chairman Humphrey and Senator Green.

The chairman announced that the meeting had been called to hear Philip A. Farley, special assistant to the Secretary of State for disarmament and atomic energy, to discuss recent developments in the disarmament negotiations and U.S. disarmament policy.

Mr. Farley was accompanied by William I. Cargo, Director, Office of U.N. Political and Security Affairs, Department of State.

For record of the proceedings, see the official transcript.

[Following Mr. Farley's presentation, the subcommittee adjourned at 5 p.m.]

MINUTES

TUESDAY, AUGUST 25, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee continued in executive session at 11:20 a.m. in room F-53, Capitol.

Present: Chairman Fulbright, Senators Green, Mansfield, Lausche, Humphrey, Wiley, Hickenlooper, Aiken, and Capehart.

The nominations of Walter C. Dowling, to be Assistant Secretary of State for European Affairs, of Vance Brand to be Managing Director of the Development Loan Fund, of Eric Hill Hager, to be Legal Adviser for the Department of State, and of Frank A. Southard, Jr., to be reappointed as U.S. Executive Director of the International Monetary Fund, were all ordered reported unanimously by voice votes.

The committee voted to report H.J. Res. 281, authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival.

The committee voted to postpone consideration of H.J. Res. 283, to authorize participation by the United States in parliamentary conferences with Mexico.

The committee passed over, after discussion, S. 2531, to authorize the San Benito International Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Texas.

The committee next considered S. 1827, to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States. On motion by Senator Aiken, the committee passed over the bill until its author, Senator Humphrey, was present and a hearing could be held on its provisions.

At this point Senator Humphrey reentered the room, and after discussion, it was agreed to adhere to the committee's previous decision concerning the foregoing measure.

The committee next considered S.J. Res. 131, authorizing the President to invite foreign countries to participate in a World's Fair, New York, 1964. Senator Hickenlooper moved to postpone action on this resolution, which was carried on a voice vote.

The committee then proceeded to the consideration of S. Res. 169, concerning the desirability of holding an international exposition in the United States, which was approved for report on motion by Senator Hickenlooper, seconded by Senator Aiken. The chairman announced that he had the favorable proxies of Senators Mansfield, Morse, and Kennedy on such measure.

The committee discussed without taking action the measure S. Res. 146, to express the sense of the Senate with respect to the negotiation of treaties.

The chief of staff then stated that the committee had two letters from a member of the Department of Political Science of the U.S. Air Force Academy, asking committee approval for access to the committee's nomination file with reference to a number of names running to 1952, and for access to the committee minutes up to 1952. All such material as would be taken would be subject to review before publication. Senator Humphrey suggested the chairman be given discretion to release any of the requested data, which was declined by the chairman. He put the requests down for further consideration.

For record of the proceedings, see the official transcript.

[Accordingly, the committee adjourned at 12:30 p.m.]

MINUTES

WEDNESDAY, AUGUST 26, 1959

United States Senate,
Subcommittee on International
Organization Affairs of the
Committee on Foreign Relations,
Washington, D.C.

The subcommittee met in executive session at 9:30 a.m. in room F-53, Capitol.

Present: Chairman Lausche, Senators Green and Aiken.

Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, discussed with the subcommittee the issues arising in the forthcoming session of the U.N. General Assembly.

No transcript of the meeting was kept.

[At the conclusion of his presentation, the subcommittee adjourned.]

MINUTES

THURSDAY, AUGUST 27, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met at 10:35 a.m. in room F-53, Capitol in executive session.

Present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Lausche, Hickenlooper, and Carlson.

The chairman stated that the committee would hear a report from Senator Mansfield, chairman of the Subcommittee on State Department Organization and Public Affairs on a number of bills relating to the administration of the Department and the Foreign Service.

Accordingly, after such report was read by the chief of staff, the committee proceeded to the markup of S. 443, To amend the Foreign Service Act of 1946, as amended; S. 1044, To amend the Foreign Service Buildings Act of 1926; S. 1243, To amend the Foreign Service Act of 1946, as amended, to establish standards of foreign language proficiency for the Foreign Service; S. 1502, To provide for adjustments in the annuities under the Foreign Service retirement and disability system; S. 2232, To repeal section 12 of the Act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision of the Act of June 4, 1920, authorizing the free issuance of passports to seamen; and S. 2233, To amend the Foreign Service Act of 1946, as amended.

The chief of staff stated there were 42 items of substantial importance in such measures on which the committee might wish to give its decision, after which it might then prepare a clean bill or omnibus measure inclusive of all points in all bills.

At the request of Senator Sparkman, his bill, S. 1502, was withdrawn from the others and considered separately for separate report.

For record of the proceedings, see the official transcript.

[After discussion, the committee recessed at 12:50 p.m. until 10 a.m. the following day.]

MINUTES

FRIDAY, AUGUST 28, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Wahington, D.C.

The committee met in executive session at 10:15 a.m. in room F-53, Capitol.

Present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Hickenlooper, Aiken, and Carlson.

The committee resumed its consideration of Foreign Service and other bills considered yesterday.

At the conclusion of its deliberations, the committee, on motion by Senator Mansfield, seconded by Senator Aiken, ordered favorably reported an omnibus measure inclusive of all amendments to said bills agreed upon by unanimous voice vote.

[Note: The bill number and title was S. 2633, "To amend the Foreign Service Act of 1946, as amended, and for other purposes."]

The committee, by agreement of its meeting yesterday, also reported S. 1502, "To provide for adjustments in the annuities under the Foreign Service retirement and disability system."

By voice vote, the committee concluded to bring both bills up for debate in the Senate within 1 or 2 weeks, and if not, to hold consideration on the floor over for the next year.

For record of proceedings, see the official transcript.

[Whereupon, the committee adjourned at 11:45 a.m.]

MINUTES

TUESDAY, SEPTEMBER 1, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session at 10:40 a.m. in the committee room F-53, Capitol.

Present: Chairman Fulbright, Senators Green, Sparkman, Humphrey, Mansfield, Gore, Lausche, Hickenlooper, Aiken, and Carlson.

Also present: Senator Saltonstall.

Senator Saltonstall appeared to introduce Harry F. Stimpson, Jr., of Massachusetts, nominated to be Ambassador to Paraguay.

Mr. Stimpson appeared on his own behalf, following which his nomination, on motion by Senator Lausche, seconded by Senator Hickenlooper, was ordered reported favorably.

The committee then approved for report, on unanimous vote, the nominations of Representatives and Alternates of the United States to the 14th Session of the General Assembly of the United Nations until December 31, 1959. (See Senate executive calendar for September 2, 1959.)

The committee then proceeded to the consideration of H.R. 3180, To extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by the Congress. Statements in support of the bill were made by Senator Philip A. Hart of Michigan and Victor A. Knok, a Representative in the House from Michigan.

S. 2531, To authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex., and S. 2590, To authorize the Starr-Camargo Bridge Co., to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande, Tex., were announced as next in order, and Senator Ralph Yarborough from Texas appeared in support of both. At the conclusion of his remarks, the committee agreed to postpone action on both measures until they could be perfected in accordance with ideas advanced by Senators Lausche and Hickenlooper, and that they would then call Senator Yarborough before them on that occasion.

The committee discussed various travel plans for the fall for different Members, especially in relation to a proposed official visit to Indonesia and to the Commonwealth Parliamentary Meeting in Canberra, but without conclusion.

Senator Humphrey raised the question of considering S. Res. 129, Favoring continued efforts by all nations to strengthen cooperation in health and research activities, and after discussion, the committee unanimously agreed to its report.

For record of the proceedings, see the official transcript.

[Whereupon the committee adjourned at 12:40 p.m.]

MINUTES

FRIDAY, SEPTEMBER 4, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met in executive session at 10:45 a.m. in the committee room, F–53, Capitol, the Senate having met earlier at 9 a.m.

Present: Chairman Fulbright, Senators Green, Lausche, Sparkman, Humphrey, Mansfield, Hickenlooper, Wiley, and Carlson.

Also present was Senator Yarborough and others from various agencies, prepared to testify on S. 2531 and S. 2590, bridge bills considered by the committee on September 1.

On the meeting's being called to order, Senator Lausche stated that he had notified the Senate leadership that he would object to the holding of today's committee meeting because the Senate was then in session (and permission for the committee to sit had not been granted by the Senate). The chairman then said that the meeting had been called he thought for the accommodation of the Senator from Ohio (Mr. Lausche), and to get information that had been requested, and he read from the record of September 1 which, he said showed that Senator Lausche had been agreeable to today's session of the committee and had not interposed objection at that time. On his statement following that he was proceeding with the meeting, the Senator from Ohio again objected and the chairman overruled such objection.

Senator Yarborough then appeared in support of the two bills mentioned.

At the conclusion of his presentation, Senator Lausche inquired by what authority the chairman had overruled his former objection. Senator Fulbright replied, by his authority as chairman of the committee, that whether the Senate was in session or not, he would have overruled it in any case so far as taking testimony was concerned. At this point it was determined that the Senate had been in recess for some time until 1 p.m. this day. Whereupon the chairman stated that the meeting was called to accommodate the Senator from Ohio, that it was not meant that the committee be unreasonable to call in Senators and witnesses (and then have the committee adjourn) when a Member raises a technical objection, and that (when such meeting was called) for that Member's purposes. The chairman said Senator Lausche did not have to vote for the matter under discussion, but that he thought it unjustified to object to taking testimony from witnesses present.

He then recognized Robert Kennedy, of the Office of the Chief of Engineers, Department of Army, to respond to questions. He was followed by Melville Osborn, of the Department of State, Sam R. Broadbent, of the Bureau of the Budget, and Walter Kurylo, and Mary Nicholson, of the Bureau of Public Roads.

Following their comments, Senator Yarborough responded to more questioning, after which all witnesses retired.

Then present: Chairman Fulbright, Senators Green, Sparkman, Mansfield, Lausche, Hickenlooper, Carlson, and Long.

Senator Mansfield moved, seconded by Senator Sparkman, that the bills S. 2531, To authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex., S. 2590, To authorize the Starr-Camargo Bridge Co., to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande, Tex., and H.R. 3180, To extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by Congress, be reported en bloc.

The clerk called the roll and the following Senator responded:

Yeas	*Nays*
Senator Sparkman	Senator Green
Senator Humphrey (by proxy)	Senator Lausche
Senator Mansfield	Senator Wiley (by proxy)
Senator Long	Senator Hickenlooper
Senator Gore (by proxy)	Senator Aiken (by proxy)
Senator Carlson	Senator Capehart (by proxy)
Senator Fulbright	

So the motion carried.

The committee agreed not to report the bills until next Tuesday in order that Senator Lausche may have time to file individual views.

For record of the proceedings, see the official transcript.

[Whereupon the committee adjourned at 1 p.m.]

MINUTES

TUESDAY, SEPTEMBER 8, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee continued in executive session at 11:20 a.m. in the committee room, F–53, Capitol.

Present: Chairman Fulbright, Senators Green, Humphrey, Gore, Lausche, Wiley, Hickenlooper, Aiken, Capehart, and Carlson.

The nominations of Henry E. Stebbins, to be Ambassador to Nepal, and of William A. M. Burden, to be Ambassador to Belgium, were unanimously approved for report.

Senator Wiley raised the question of consideration of H.R. 5477, to authorize Maj. Gen. Bernard W. Kearney to accept and wear the Philippine Legion of Honor of the degree of Commander. After discussion, the committee, on motion by Senator Lausche, seconded by Senator Green, deferred action on the measure.

The committee then proceeded to the consideration of S. Con. Res. 17, Favoring a convention of delegates from Atlantic democracies looking to greater cooperation and unity of purpose, and after discussion, on motion by Senator Gore, it was unanimously decided that further consideration of the resolution be postponed until January with the understanding that the committee at that time would hold open hearings on it.

The committee unanimously voted to report H.R. 8911, To provide for the presentation by the United States of a statue of General George Washington to the people of Uruguay.

The committee proceeded to the consideration of H.J. Res. 511, To provide for the participation by the United States in the Inter-American Children's Institute. Mr. Horace E. Henderson, Deputy Assistant Secretary for International Organization Affairs, Department of State, appeared in support of the measure. Following, Senator Aiken moved to report the joint resolution favorably, when it was agreed to substitute it with S. 2231, of same title, and amended such Senate bill with the language of the House resolution.

For record of the proceedings, see the official transcript.

[Whereupon the committee adjourned at 12:20 p.m.]

BRIEFING ON LAOS

[EDITOR'S NOTE.—The Southeast Asian nation that most worried American foreign policy planners in 1959 was the former French protectorate of Laos, which was encircled by North and South Vietnam, Cambodia, Thailand, and China. In 1958 a loose coalition of anti-Communist groups in Laos took control of the government and attempted to reduce Communist influence. The Pathet Lao then began guerrilla operations against the government, especially in the northern provinces bordering North Vietnam. U.S. aid to Laos was increased sharply, along with the number of American military advisors sent to that nation. Conditions worsened until 1962, when a neutralist government under Souvanna Phouma was established and the major powers agreed to respect Laos' neutrality and sovereignty.]

TUESDAY, SEPTEMBER 8, 1959

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to call, at 4:10 p.m., in room F-53, United States Capitol Building, Hon. J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, Senators Green, Long, Sparkman, Lausche, Wiley, Hickenlooper, Aiken, Capehart, and Carlson.

Also present: Mr. Marcy, Mr. Holt, Mr. Denney, and Mr. St. Claire, of the committee staff.

The CHAIRMAN. We had better come to order.

We have the pleasure of having Assistant Secretary of State Parsons here. He is Assistant Secretary of State for Far Eastern Affairs.

Mr. Parsons, will you give us the benefit of your wisdom and knowledge on the situation in Laos?

STATEMENT OF J. GRAHAM PARSONS, ASSISTANT SECRETARY OF STATE FOR FAR EASTERN AFFAIRS; ACCOMPANIED BY JOSEPH SISCO AND CHRISTIAN CHAPMAN

Mr. PARSONS. Thank you, sir. I would be pleased to try to contribute what I can on the subject of recent developments in Laos.

I have brought with me this afternoon Mr. Joseph Sisco, who is one of Assistant Secretary Wilcox's senior assistants in the U.N. field, and also Mr. Christian Chapman, who is the Laos Desk Officer and who until recently was the Second Secretary in our Embassy in Vientiane.

I would like with your permission to speak rather briefly about recent developments in Laos. I will then be prepared to discuss any aspects of it that any members of the committee might wish me to.

Of course, the problem that we face today is not a new one. The Viet Minh sponsorship of Pathet Lao and interference in Laos affairs dates way back. In fact, it was in September 1950 that the official radio of the Government of North Vietnam first announced from Hanoi the formation of a Pathet Lao Government, and in 1953, when the Viet Minh invaded Laos the first of two times, they openly stated that along with the Pathet Lao there were Viet Minh volunteers.

At that time the great majority of the forces were Viet Minh volunteers, and there were not too many active racial Lao in the Pathet Lao forces.

FIRST RUMBLINGS OF THE CRISIS

The first rumblings of the current crisis goes back to the earlier part of this year. I won't go through the various occasions, but it began to be warmed up about the 15th of July with the first armed attacks on Lao Army outposts in the peripheral areas of the country, primarily up in the northeast.

These attacks were the first instances of violence, armed force, on Lao territories since the agreements of November 1957 brought the guerrilla warfare to an end, following the Geneva Accord of 1954. Intermittent warfare had kept up in the north owing to the unwillingness of the Pathet Lao to implement the Geneva accord in accordance with the terms of an armistice agreed upon.

The current serious phase was precipitated by the attack on August 30.

I would like to ask Mr. Chapman to take a pointer there and show the extereme northeastern corner of Sam Neua Province, where a few miles in from the border there is a river that parallels the general northwest-southeast gradient of the boundary in that area.

On August 30, there were coordinated attacks touched off at dawn on five separate small villages and outposts of the royal army, regular army troops, plus what they call autodefense troops. We are getting more and more information about the nature of these attacks, and evidence that indicates Viet Minh complicity; but initially, it was and is very hard to know to what degree the Viet Minh were involved and how determined an attack this was.

But in the days since August 30 it appears more and more evident that columns are advancing from the area of the river and the outposts that were overrun, generally in a southerly direction on the westerly end of the front, and a westerly direction on the southeastern end of the front, so that they tend to encircle the capital of Sam Neua, the provincial capital there.

Senator AIKEN. Are just two provinces involved?

Mr. PARSONS. At the present time the major involvement is only in Sam Neua.

In neighboring southern portions of Phong Saly, which was the other province that the Pathet Lao used to hold until the agreements of 1957, there has been a certain amount of fighting.

Senator AIKEN. Are they a different race from the other Laotians?

Mr. PARSONS. In those two provinces?

Senator AIKEN. Yes.

Mr. PARSONS. The Lao who live in those two provinces are the same race as the Lao who live in all the other provinces and also in Northeastern Thailand. However, the minority races, which make up probably 50 percent or more of the population in all the mountainous areas of Laos, are composed of what they call Black Thai, from the black vests of their costume; also Red Thai; then people called Meo, who are very distinctly Mongoloid in appearance; and various other smaller races.

These minority races are distributed on both sides of the border in Laos and in Tonkin, and to some extent in Hunan Province of China just on the western side of Phong Saly Province in the extreme north there.

Actually, in Burma, too, there are similar minority elements which are closely related to the ones in Northern Laos.

In addition to minor involvement, in Luang Prabang Province to the north and west of Sam Neua, there are minor involvements; you can see a little bit of red mostly along the border at Vietnam. But also at the border at the end of Mekong there are reported small incursions of Viet Minh, who have been living in Northeastern Thailand since the troubles of 1953 and 1954.

The degree of disorder and disaffection in the outlying areas of Laos is very hard to evaluate, but the principal, organized trouble which is being carried forward aggressively with Viet Minh backing at the present time is pretty well centered in Sam Neua Province.

VIETNAM-SUPPLIED MILITARY EQUIPMENT

But with this determined probe, backed up by the Viet Minh—and it has to be backed up by the Viet Minh because the Pathet Lao were completely disarmed in the wake of the 1957 agreements—most of their troops returned to their homes in various parts of Laos, and any military force coming from that border area in the northeast has to have been trained, supplied, and armed by the Viet Minh. There is no other source for them to get newly fabricated hand grenades, small arms of various kinds, and so on.

So the circumstantial evidence of Viet Minh support is conclusive, in our opinion.

Senator **Lausche**. Do you have any other proof, except the inference that this new military equipment must have come from Vietnam?

Mr. **Parsons**. We have been told that a certain number of weapons have been captured and photographed, and that the Foreign Minister of Laos, when he arrives in New York on September 12, will have what he considers to be proof of this. We have very little hard proof.

On the other hand, the circumstantial evidence, tied in with the whole history of what has gone on, is very convincing.

Senator **Green**. Are many prisoners taken in these operations?

Mr. **Parsons**. There have been very few prisoners taken, and so far as we know, the royal army has brought back very few prisoners alive.

Senator **Green**. Were there no tales the prisoners told before they died?

Mr. **Parsons**. We have several who unfortunately died before being taken prisoner, but I recall seeing no good reports of confessions or anything of that kind. There have been royal army prisoners taken, too. But the military operations, so far as we can find out, have been mostly small clashes in the border outposts. The so-called autodefense people, and the ones who are meant to maintain defense in the outlying towns are under orders to melt into the countryside when attacked by a superior force and to carry on as guerrilla operators and people gathering intelligence on the movements of the enemy.

There have been no major pitched battles as yet. We do have knowledge that there have been casualties on both sides. We know there have been Viet Minh casualties, too.

Senator GREEN. Are there any historical reasons to account for these antagonisms?

ROOTS OF THE ANTAGONISMS

Mr. PARSONS. There really are no historical major antagonisms that would justify across-the-border invasion. The Lao who live in the river valley consider themselves to be a little superior to the hill tribes, so there have been antagonisms between the people in the low-lands, the Lao, and the racial minority in the highlands.

That is not peculiar to Laos alone; it is common throughout that whole area, but it affords an opportunity for the Communists to exploit this grievance that some of the minority people feel.

There are also antagonisms between the Annamites, the people of the Vietnamese race, and the people who live across the mountains in Laos. They are quite a different type of person, but in recent years this has not been a cause of fighting back and forth.

There were many local wars in the 19th century and earlier on before the French came and took the area under their control.

So there long have been antagonisms, but less so in this northern portion of Laos than further south as between Cambodia and Cochin, China, Cambodia, and Thailand.

Senator AIKEN. That makes it difficult to pin it on the Communists, doesn't it, if they have been doing it for the last few hundred years?

Mr. PARSONS. I think it is not too difficult to pin it on the Communists now, because of the accumulation of evidence of Communist support of this operation in the northeast.

Senator AIKEN. Yes, but what kind of Communists, Chinese Communists, Russian Communists, or Vietnamese?

Mr. PARSONS. Viet Minh Communists. Behind the Viet Minh, of course, have been the broadcasts from Peking and Moscow, and the diplomatic activity and support of the Pathet Lao by the Russians and others.

Senator AIKEN. Yes. Are the Pathet Lao related to the Viet Minh racially? Are there racial connections there, similar to, say, the Tyrolean provinces of Italy?

Mr. PARSONS. It is hard to draw exact parallels in this, with this particular part of the world. The term "Pathet Lao" is rather loosely used. It should mean people of Lao race; but they use it to include everybody who takes part in a political movement under Communist domination—in other words, minority racial people, too.

INVASION CONSEQUENCES

In the light of the growing indications that this is a serious probe into Sam Neua, we, of course, realize that the consequences of envelopment of Sam Neua could be quite serious. The Lao Army is concentrating nearly 50 percent of its combat forces, the type of forces developed for active intervention in warfare situations as opposed to the ones who are security forces keeping order throughout all the villages.

The military structure of the Lao Army is rather unique, and I could go back into that later on if desired. But with the commitment of that proportion of the so-called combat battalions of the Lao Army, should Sam Neua be enveloped and fall, there is a danger you may have a small-scale Dien Bien Phu and lose the army necessary for the protection of Laos.

Senator **Green**. Could you give us an outline of the causes for these uprisings or invasions?

Mr. **Parsons**. I think the basic cause, Senator Green, is that the free world was doing rather too well in Laos for the Communists to be able to acquiesce in it.

You see, in 1957 when the then Government of Laos reached agreements with the Pathet Lao, they thought that the terms of these agreements which put Communists into the Government of Laos—two cabinet ministers came into the government, and we gave them many other extensive concessions—would be enough to assure that the Communists would be able to take the country over by legal means, including elections and normal democratic procedures, supplemented by subversion to the extent that they could work underground successfully, too.

However, things didn't work out quite the way they figured. Elections were held, as agreed, and following those elections, the Assembly met and a new government was accepted by the Assembly. It was formally invested, in accordance with the French type of procedure which they have in Laos. That left the two Communists out of the government. It was a government strongly favorable to the West, and strongly anti-Communist in its real orientation. This government proceeded to make a certain amount of progress in economic development and in social measures for the benefit of the people, and it began to look as though there was a considerable tranquilization of the situation in Laos.

COMMUNIST STRATEGY AND PROPAGANDA

We had a telegram from our Consulate General in Hong Kong just today in which they tried to analyze what the Communist bloc is up to in that part of the world; they said that of the various theories which had been put forward, the one which they accepted was the fact that the Communists were suffering reverses in connection with Laos and the situation in Tibet to such a degree that they felt they must take counteraction.

In Laos it took the form of instigating the renowned Pathet Lao-Viet Minh intervention, which was gradually built up over a period of time, with the usual charges that it actually was the Lao side that was being aggressive and was threatening the borders of North Vietnam, that the Lao side was backed by the aggressive American imperialists, that we want to turn Laos into a military base and we had thousands and thousands of troops there, and so on.

I have a paper which I could distribute to members of the committee which gives the history of the buildup of this intervention fairly briefly.

Senator **Green**. That should be very interesting and helpful.

Mr. **Parsons**. I would be glad to distribute it.

Senator **Aiken**. What does Burma say about the situation?

Mr. **Parsons**. Burma has said nothing, Senator. They have kept very quiet about it. I am sure they are concerned and I am sure they sympathize with the Government of Laos. The free Government of Burma is strictly non-Communist in its orientation, and friendly to the West.

But I think they feel pretty much under the guns, being so close to the long border with Communist China.

I am sorry that those are not better copies. This paper was compiled today on rather short notice, and there was not time to get better copies.

The other major concern we have about the possibility of Sam Neua's falling is that it might provide enough of a center for the Communist that they would again set up a rump government, so to speak.

Before the agreements of 1957 they did have a Pathet Lao Government which functioned in the two provinces of Sam Neua and Phong Saly. If they are able once again to set up a rump government in Sam Neua, it would be a very disheartening reversion to the status quo ante; and the effects on the morale of the rest of Laos possibly would be quite serious.

In any event, it would be a much more difficult situation to deal with, and if something like that could be prevented——

SUPPLY TRANSPORT

Senator **Wiley**. We sent some ammunition. Where did it go? The paper said today that it arrived. How did it get into Laos?

Mr. **Parsons**. It is flown to the capital of Vientiane, and flown or transported by rail through Thailand to a point just on the other side of the Mekong, a little bit downstream from——

Senator **Wiley**. Take the big map and show it to us.

Senator **Sparkman**. Show us Vientiane.

Mr. **Parsons**. The rail line runs up through there, and there is a ferry which was built up under our aid program, and then a road in from there to Vientiane. Alternatively, a certain amount of military supplies are flown directly into Vientiane from the Bangkok area for the most part.

We have been sending supplies in, Senator Wiley, for quite a few years. That we have furnished equipment and supplies for the Lao Army is not a new development. And that is provided for in the Geneva accords under Article IX, Laos is entitled to bring in arms and equipment for the specific purpose of self-defense.

Senator **Sparkman**. She can get that from any place of her own choosing. We are not a party to the Geneva accords; is that right?

Mr. **Parsons**. No, sir, we are not a signatory to the Geneva accords. Laos could get it elsewhere.

Senator **Sparkman**. She is permitted to get it anywhere she wants to, and she just happens to be getting it from us; is that correct?

Mr. **Parsons**. She gets it from us because at the end of the Indo-China War we in fact accepted the responsibility of trying to keep Laos independent, and trying to help Diem in South Vietnam consolidate that part.

Senator **Sparkman**. The point I was making, though, is this: is there no responsibility on our part growing out of the Geneva Conference as such?

Mr. PARSONS. No, sir, there is no obligation there on us to furnish the arms, and so on. We do so because we believe that the independence of Laos is important to the whole area and therefore to us.

U.S. RESPONSE TO LAO APPEAL

With this serious military situation developing, or one which the Lao believe to be really serious, they suddenly appealed on September 4 to the United Nations and asked for an urgent meeting of the Security Council to agree to send emergency force to them.

At the same time, we were informed that an appeal would be made to the Southeast Asia Treaty Organization, and there were indications that we might receive an appeal for unilateral American assistance in this situation.

Our reaction to those appeals was very prompt in the form of meetings held first within the Department under the chairmanship of Mr. Dillon and Mr. Murphy, and then later interdepartmentally with representatives of the Joint Chiefs of Staff, the Acting Director of Central Intelligence, and all the people whom you would expect to participate in these top-level considerations of what looks to us to be a crisis there.

On the side of military action, I would like to go off the record for just a moment, completely off the record.

The CHAIRMAN. Yes.

[Discussion off the record.]

Mr. PARSONS. On the diplomatic side, the Secretary General responded to the Lao appeal by calling a meeting which took place yesterday afternoon and ended early this morning.

We were in constant consultation with the Secretary General and Mr. Lodge's office in New York. It was our feeling that the primary focus of activity should be through the U.N. It was, in fact, an American idea that we should proceed under Article XXIX to seek to create a subgroup of the Security Council to go to Laos and find out what they could on the spot.

As I said earlier, we are finding it difficult to obtain concrete evidence to actually prove Viet Minh troop activity within Laos, although there is no question that this was instigated and is being pushed by the Viet Minh.

The presence of that U.N. group, it was hoped, would provide a real deterrent to the Communist effort.

May I go off the record for just one second again?

[Discussion off the record.]

RUSSIAN VETO OF SECURITY COUNCIL SUBGROUP

The CHAIRMAN. On that subgroup, Russia vetoed it. Is it your position that the veto does not apply, that it is procedural?

Mr. PARSONS. Article XXIX comes under the procedural part of the chapter. This was debated very bitterly yesterday, with the Russians arguing that it was substantive.

The CHAIRMAN. Yes. What is the resolution of that difference?

Mr. PARSONS. The resolution was that 10 votes said it was procedural, and 1 vote said it was substantive.

The Chairman ruled that it was procedural; and then, and on a second vote, the vote was again 10 to 1.

The Russian then said that as far as he was concerned, this was an illegal procedure and that it was null and void.

Mr. Sisco has been much closer to this then I have. If what I have said is substantially inaccurate in any part, I wish you would correct me.

Mr. Sisco. Senator Fulbright, I might go into the history of this a little to give you some of the background.

HISTORY AND FUNCTIONS OF SECURITY COUNCIL SUBGROUPS

As Mr. Parsons has said, under Article XXIX of the Charter the Security Council is able to create a suborgan of the Council, and this is considered and listed as procedural in the Charter.

We submitted a resolution yesterday which created this organ, and the language of this resolution was almost identical with that of a resolution which was submitted to the Security Council in 1946 on the so-called Spanish case.

The reason why under Article XXIX we felt we could proceed expeditiously was that we had this particular precedent on which to base our action.

The subgroup of the Council, being a suborgan of the Council, can only find the facts; it is not empowered to make any specific recommendations.

To create a group which can make recommendations and investigations is, on the basis of Chapter VI of the Charter, a vetoable procedure. It is necessary to establish such a group under Article XXXIV of the Charter.

So having had the precedent in 1946, in a situation where such a suborgan had been created, where the vote of the Council had been 10 in favor, none against, and a Soviet abstention, and where there had not been an explicit challenge to that particular proposal in 1946, we felt this afforded us the opportunity to submit a similar proposal this time. Provided that we had the support of our allies and could develop that support in the span of 48 hours during a period of consultations, we felt this was an excellent means to get the Council to act very quickly.

Senator Wiley. What did they do?

Mr. Sisco. What they did was this, Senator:

Resolution was submitted. The Chairman said, "I will put this resolution to the vote."

Sobelov raised his hand and said, "Mr. Chairman, before you put that resolution to the vote, I would like the Council to determine whether that resolution is procedural or whether it is substantive."

This resolution had been identified earlier as an Article XXIX resolution, a suborgan of the Security Council.

The Chairman then put that question to the vote of the Council. The Council voted 10 in favor, 1 against, and no abstention.

The Chair then said: "I consider the matter procedural. I shall therefore now put the resolution to the vote."

He then put the resolution to a vote, and the vote was again 10 in favor, 1 against, and no abstentions.

The Chairman then ruled that the proposal had been adopted.

The Soviet Union then challenged that particular ruling, and once again by the same vote the Council decided that the proposal had been adopted.

DOUBLE VETO PROCEDURE

This procedure is so-called double veto procedure, which has been used on three or four other occasions in situations in the Council over a period of the last 11 or 12 years.

Senator WILEY. What does the resolution provide?

Mr. SISCO. It merely provides for the creation of a suborgan made up of Italy, Tunisia, Argentina, and Japan, and it asks this group to make any inquiry that it deems necessary into the Laotian situation. Under this resolution, the committee then can meet and determine the manner in which it will conduct its own inquiry.

This language in the resolution is broad enough to permit the committee to decide to make an on-the-spot inquiry if it decides to do so, and we anticipate that it will.

Senator WILEY. They haven't done so yet?

Mr. SISCO. No, sir, they are meeting on that this morning.

The CHAIRMAN. Is there an appeal to the U.N. General Assembly from this ruling of the Council?

Mr. SISCO. No, sir.

The CHAIRMAN. What was the inference you draw from it? Do we call a General Assembly meeting? Why should we?

Mr. SISCO. There is no plan to call any.

The CHAIRMAN. There is none?

Mr. SISCO. No, sir. And there is no direct appeal to the General Assembly in the sense that no veto was actually applied.

The CHAIRMAN. You regard this as final, and the Soviet says it is illegal?

Mr. SISCO. Yes, sir.

The CHAIRMAN. But they have no means of testing that?

Mr. SISCO. No, sir, that is right.

PROVIDE COUNCIL WITH FACTS

Senator SPARKMAN. Of course, being procedural, it could only act in a factfinding and advisory capacity, and cannot make decisions; is that correct?

Mr. SISCO. That is correct.

The CHAIRMAN. Or even recommendations.

Mr. SISCO. Yes.

Senator CAPEHART. What good is it?

Mr. SISCO. The primary purpose, as we see it, is to provide the Council with facts, and upon those facts the Council could act at a subsequent stage.

That would be the first point.

Second, we attach, as Mr. Parsons has indicated, great importance to the United Nations' having acted quickly and the psychological deterrent which we hope is there as a result of sending an on-the-spot inquiry group right into the area.

Senator SPARKMAN. And if acts justify the action taken by the Council, and in case of veto, could be carried to the General Assembly which will be meeting in a couple of weeks.

Mr. SISCO. Yes, sir, it opens next Tuesday, and as you say, the Council could act. If the facts apply then, Senator Fulbright, under the Uniting for Peace resolution you could get into the Assembly.

The CHAIRMAN. Is that what you really think will happen?

Mr. SISCO. I hesitate at this point to speculate what might happen. We are hopeful the fact that we can get the group on the spot will have the psychological deterrent, and this in itself will help to put quite a damper on the situation.

The CHAIRMAN. As of now there is no obstacle to this group's proceeding to Laos immediately?

Mr. SISCO. None whatsoever, sir.

The CHAIRMAN. Could they go tomorrow?

Mr. SISCO. Our hope is that they will actually get there by the end of the week.

The CHAIRMAN. Yes.

Mr. PARSONS. It would be of real value to have an international flavor in that area.

The CHAIRMAN. Aren't there any Communist or satellite members of the Security Council?

Mr. SISCO. No, sir; no satellite members.

The CHAIRMAN. No Communists?

Mr. SISCO. Other than the Soviet Union.

The CHAIRMAN. Yugoslavia?

Mr. SISCO. No, sir.

Senator WILEY. What is the development in SEATO?

DEVELOPMENTS IN SEATO AND THE U.N.

Mr. PARSONS. On the SEATO side we arranged on September 2 to have the permanent representatives in Bangkok meet and discuss the situation. This was the first formal meeting to discuss the Laos crisis.

At the time they met most of the members had little or no information about the attack on August 30 in this remote jungle area, so they were not in a good position to apprise its significance. However, the meeting did serve to put the SEATO members on notice that this could be a really dangerous situation.

Subsequent to the appeal of the Laos Government to the United Nations, Mr. Dillon invited the representatives in Washington of the various SEATO countries to meet with him on two occasions. The first day was the very day of the receipt of the appeal to the U.N., September 4, and the second time was yesterday morning.

The two meetings chaired by Mr. Dillon gave us an opportunity to indicate our preference in the first instance for U.N. action, and also served to alert the members to the possibility that SEATO might have to either fish or cut bait in this particular issue.

SEATO, after all, cannot ignore a dangerous situation on its border, in fact involving a state which is covered by the SEATO protocol.

There has been a further meeting of the Council representatives in Bangkok, also on September 7, which pretty much paralleled Mr. Dillon's meeting of yesterday morning.

Some of the SEATO powers are acting to send observers on an individual basis. The British, for instance, have sent Sir Robert Scott, Commissioner General for Southeast Asia, up to Vientiane.

The Thai Government has decided to send a small group of military people to find out and observe and report.

The Australians indicated that they wish to send someone up there, and so before very long, I think there will be substantially increased individual SEATO representation in Vientiane.

POSSIBLE MILITARY INTERVENTION

I think that the SEATO countries all realize now that this is potentially a very important matter for the organization. They realize also that it may be necessary for the Secretary General of SEATO to go up there from time to time, and that further measures might be necessary.

Should it come to the point of military intervention to prevent the extinction of Laos' independence, it will be highly desirable, of course, for this to be taken through the SEATO mechanism rather than on an individual basis by the United States or anyone else.

And should the situation develop further in that direction, I am quite sure that any plans of a military nature which we have in some way would be meshed with SEATO planning, so that this would not be a unilateral U.S. matter.

The CHAIRMAN. What do you mean when you say Laos is covered by the SEATO protocol but is not a member of SEATO?

Mr. PARSONS. At the time that the SEATO Treaty was negotiated, a separate protocol was negotiated which added Laos, Cambodia, and the free part of Vietnam to the territory covered by the SEATO Treaty guarantee.

The SEATO operative article which I referred to as the guarantee is Article IV, which says:

"Each party recognizes that aggression by means of armed attack in the treaty area against any of the parties or against any state or territory which the parties, by unanimous agreement, may hereafter designate"—Laos under the protocol—"would endanger its own peace and safety and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes.

"Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations."

There is a further paragraph to this same Article IV which deals with situations short of armed attack, which says:

"If in the opinion of any of the parties the inviolability or the integrity of the territory or the sovereignty of political independence of any party in the treaty area or of any other state or territory to which the provisions of paragraph 1 of this article from time to time apply"—again Laos—"is threatened in any way other than by armed attack or is affected or threatened by any fact or situation which might endanger the peace of the area, the parties shall consult immediately in order to agree to the measures which should be taken for the common defense."

The first commitment to act in case of aggression would not be operative in the case of a protocol state such as Laos, unless Laos so requests. And what we thought we might well be faced with on September 4 was a formal request by Laos which would have set in motion the provisions of Article IV(1), which I read a moment ago.

THE SOVIET POSITION

Senator **Wiley**. If the Kremlin hasn't got its finger in this pie, how can you justify its positions?

Mr. **Parsons**. I think the Kremlin does have its finger in this pie. We pointed out in public statements earlier in the summer that Ho Chi Minh had been in Moscow, and had had conferences with leading Soviet people. He was said to be there on holiday, but he was there only 5 months after his last visit.

We also noted in Pravda that two members of the North Vietnam Politburo were in Moscow, either during the end of July or the beginning of August, and that they had had conversations with Mr. Mikoyan, who is mentioned by name. There are many other indications that Moscow is certainly sympathetic to what is being stirred up in this corner of Laos, from the Moscow radio and from propaganda and numerous newspapers, and so on.

Senator **Sparkman**. You included that in your statement last week when you reviewed these things.

Mr. **Parsons**. Yes, we did. That was the statement put out, I think, last Saturday.

Senator **Sparkman**. Yes, Saturday. I thought it was a very clear statement.

Mr. **Parsons**. This was the third or fourth statement which we have issued since the beginning of this matter. We have felt that there was a possibility, at least, if we called attention to the international aspects of this matter and to the probability of Soviet and Chinese Communist backing, that it might generate enough deterrent effect that a serious probe would not be made.

Certainly the Communist bloc knows that we have, through SEATO, a commitment to Laos.

This hope has been disappointed, and that is why we have had to proceed to a step beyond the earlier action.

Senator **Lausche**. Has any contact allegedly been made with the Soviet Union about its participation?

Mr. **Parsons**. That has been discussed in the Department at considerable length at different times, and thus far we have felt that it would not be useful to talk directly with the Soviets. I am quite certain that if this matter is still continuing when Mr. Khrushchev is here, it will be discussed. This is being worked out right now.

KHRUSHCHEV'S VISIT

Senator **Lausche**. Has there been any discussion about the criticality that is created with reference to Khrushchev's visit in the face of this provocation on the part of the Soviets in Laos?

Mr. **Parsons**. We have not directly linked this in any public statement, but it certainly must be in everybody's mind in Moscow, as it is obvious to us that it could be a factor in Mr. Khrushchev's visit.

The **Chairman**. What is your attitude toward participation of Moscow? Do you feel she just went along, or do you think she is the moving spirit and that it is in response to her desire? Or what is her relationship to this outbreak?

Mr. **Parsons**. This is very difficult to say, Senator, and I don't think any of us advance a hypothesis with any degree of confidence on this.

I think most of us tend to view this as primarily an Asian operation—the North Vietnamese and the Chinese Communists, primarily.

However, we feel that the Russians should be made responsible for it, because they have the power to at least influence Communist China and North Vietnam, and they may have the desire to influence their attitude in advance of Khrushchev's visit.

We have considered various hypotheses as to what the basic motivation of this thing is. A year ago we saw the Quemoy crisis followed immediately after the Lebanon one.

This particular problem comes just after the Geneva Conference, during which, if you want to look at it this way, the Soviets did not get what they wanted in relation to Berlin.

We have wondered also whether this was created simply as a lever which Mr. Khrushchev could use when he gets here. He could arrange to have the Communists stop doing what they should not have done in the first place, make a concession which would in effect be a bogus concession, but might appear as a concession, nevertheless; or it might afford him some bargaining leverage.

We have thought of the possibility that this might be an external diverison because the Chinese Communists were not getting on as well with their economic programs as they had claimed to their own people and everyone else.

We have thought also of the possibility that this might have been generated by the Chinese Communists because they didn't want to see the Soviets going into top-level meetings with our President and others. This was a means of showing their dislike for anything which might even appear to be a degree of rapprochement between the East and the West.

SUPPORT OF INSURRECTIONARY MOVEMENTS

But on balance, as I mentioned awhile ago—you may have been out of the room, Senator Fulbright—we are inclined to agree with the telegram we had from Hong Kong this morning which simply said that the Communist bloc was dissatisfied with the peaceful tactics which they thought would be sufficient to win Laos, and we are reverting to the support of insurrectionary movements in Laos or any place where they thought that they could perhaps make some headway.

Senator LAUSCHE. Undoubtedly someone must have raised in these discussions the question of how you can reconcile Khrushchev's visit to this country for the purpose of cementing relations, with this overt act of provoking trouble for us. What would be his purpose? Is it reasonable? Is it consonant with the purpose of his visit?

Was that explored?

Mr. PARSONS. That certainly has been discussed by various of our people in the Department, and I don't think anybody considers that it is consonant with his professed purpose.

However, I think we all feel that Mr. Khrushchev has not given up the basic objective of any Communist, which is to promote world domination if he can.

In other words, the professed purpose of its negotiations of a peaceful settlement and rapprochement is inconsistent with the real purpose of a Communist.

I think the general attitude toward Mr. Khrushchev's visit—and this is not my field—is one of considerable realism.

Senator WILEY. Is Khrushchev telling Mao, or is Mao telling Khrushchev?

Mr. PARSONS. That is a hard one, Senator.

The CHAIRMAN. You didn't quite finish. What was that last before you changed the subject?

Senator LAUSCHE. Read it for him.

The CHAIRMAN. You were almost through.

Mr. PARSONS. I think the President invited him here for reasons which no doubt this committee has discussed, and has heard from others on, to try to give him a more realistic appreciation of the temper of this country, of our determination to stick to our principles, of the reality of the strength and vitality of our system, and things of that nature. And he has been invited because it was felt that he didn't appreciate or understand these things. At least, this is part of the reason why he has been invited to come here, and he is coming here for, let us say, a U.S. purpose of that kind.

That is what I had in mind, Senator, when I didn't finish it.

The CHAIRMAN. I just wanted you to complete it.

Mr. PARSONS. Thank you.

Senator CAPEHART. What do you think Khrushchev wants to come here for—he has been wanting to come here for years—to be unsold on his own system and sold on our system?

Mr. PARSONS. Well, I don't think we are going to unconvince a convinced Communist leader like Mr. Khrushchev. I can see advantages from the point of view of his having been here, too. I think the advantages from his point of view have to be balanced and weighed against what we consider to be advantages in inviting him here.

This is certainly a situation where you can't have 100 percent plus, and no minus.

CHINESE ROLE IN LAOS

The CHAIRMAN. Have you had any reports from our allies who have diplomats in Peking as to their theory on what part the Chinese played?

Mr. PARSONS. I don't recall any, Senator Fulbright, on the current phase of the Laos situation. I am quite certain that there would be the feeling on the part of most of the free world diplomats there that Communist China would inevitably be involved in this to some degree, because they have seen the growing arrogance and disregard of their Asian neighbors on the part of Peking; the way they have treated the Indians who sought so patiently to try to come to terms with them; and the arrogance they have displayed toward the Burmese in connection with a frontier dispute on the borders of Burma.

I think they would feel this is in keeping with the current temper of the Communist Chinese, and they would place there in large measure the responsibility for what is occurring, at least backing up the regime at Hanoi.

We have seen no indications of any overt material support from Communist China. The border between Communist China and Laos is quiet, so far as we have any knowledge of it. And they are all Lao patrols up in that area.

COMMUNICATIONS AND SUPPLY LINES

Senator **SPARKMAN**. Are there any roads, highways, or means of communication crossing that border, or is it carried on by air, or how?

Mr. **PARSONS**. In Sam Neua Province there is, I believe, a jeepable track that leads out to the North Vietnam side to the east of Sam Neua. Apart from that, there is nothing more than trails. There is a small airstrip at Sam Neua. I am not sure that you can even get an old C-47 down there now.

Senator **SPARKMAN**. There is communication between North Vietnam and there, isn't there?

Mr. **PARSONS**. Yes.

Senator **SPARKMAN**. How about up on the China border?

Mr. **PARSONS** At the China border, up in the extreme northwest corner, there are no roads at all, so far as I know.

Senator **SPARKMAN**. Then if they do send supplies or men would they come through North Vietnam?

Mr. **PARSONS**. Yes, sir, that is the logical way to supply those provinces. Dien Bien Phu is the biggest supply center and concentration center for North Vietnam up there. It is just to the north of Southern Phong Saly Province.

Senator **AIKEN**. Is the economy of North Vietnam on the verge of collapse?

THE ECONOMIC SITUATION

Mr. **PARSONS**. Well, I have seen no reports to that effect, Senator. Offhand, I think we feel that they are making some progress there economically.

Senator **AIKEN**. They are maintaining very large armed forces, however.

Mr. **PARSONS**. They are maintaining very large forces. I don't recall seeing reports of very severe economic dislocations and shortfalls paralleling the ones which we have had in relation to Communist China.

Senator **AIKEN**. I was thinking of what President Diem said 2 years ago, that the North Vietnamese would have to attack or collapse within 3 years. This is the second year. He said they could not possibly continue to maintain armed forces of the size that they were undertaking to support.

Mr. **PARSONS**. I would think it all depends on how much support they in turn receive from other members of the Communist bloc.

Senator **AIKEN**. But you say you are not finding evidence that they are being materially supported by other members of the Communist bloc.

Mr. **PARSONS**. I meant to say that there was no indication that Chinese Communists are supporting the Pathet Lao operation in Laos at the present time.

Senator **AIKEN**. Yes.

Mr. **PARSONS**. I am sure that all the modern weapons, all the equipment, for the North Vietnamese Army is Communist bloc support from outside North Vietnam. They are receiving constant support of that kind.

Senator CAPEHART. Might this be the beginning of an attack on the part of the Communists, Russia and China, to take over all these little countries, what was formerly all of Indo-China?

Mr. PARSONS. I certainly hope not, Senator Capehart. I think the basic question there is whether the Communist bloc is prepared to face the serious risk of World War III or not.

Rather, this may be a sequel, I would hope a less serious sequel, to the probing operation they conducted last year in the Taiwan Straits. They may feel that at the present time the United States would be less disposed to stand firmly in this remote area.

Last year when we did stand firmly we obtained a tranquilization of the situation in the long run, and we are seeking to build up the degree of deterrence now that will lead to a tranquilization of this situation. I hope we are successful.

The CHAIRMAN. Is it our policy to do whatever is necessary to resist this invasion?

A TREATY COMMITMENT

Mr. PARSONS. We have a treaty commitment, Senator.

The CHAIRMAN. But that treaty commitment leaves it up to our judgment or within our constitutional processes as to what we should do.

Mr. PARSONS. Yes.

The CHAIRMAN. Is it fair to ask you whether or not, if it looks necessary—say, within the next 10 days they are about to collapse—that we would use Marines there?

Mr. PARSONS. This is a decision which would be made by the President and others at a much higher level than me. I would hesitate to make a prediction on that.

Senator SPARKMAN. Would it be your opinion that, under our treaty obligations and in cooperation with our associates in that treaty, such action should be taken?

Mr. PARSONS. In my opinion, if we did not face this issue squarely, we would no longer have any collective defense organization left in the area.

Senator SPARKMAN. Wouldn't SEATO lose its effectiveness?

Mr. PARSONS. SEATO would lose its effectiveness and we would forget the confidence of all those new and weak countries there which, in the last analysis, realize that it is only the strength and presence of the United States in the Western Pacific that preserves them from aggression and preserves their independence.

Senator SPARKMAN. Do you believe, or is it the belief of our military people, that the other countries—free Vietnam and Cambodia and Thailand—could stand if Laos collapsed?

Mr. PARSONS. I think at the very least they would require a great deal more material support from us, and we would be hard put, if we stood by and let Laos fall, to give these other countries the confidence which they need to maintain an independent position.

Senator SPARKMAN. Aren't we in a better position to give aid to Laos, even landlocked as it is, than to certain other countries in the event Laos collapsed?

Mr. PARSONS. It is my opinion that we should support Laos in this situation. The alternative is a worse one for us in the long run.

Senator LAUSCHE. What is the alternative?

AN ALTERNATIVE TO SUPPORTING LAOS

Mr. **Parsons**. The alternative, if the Communists press this, is to see Laos go down the drain, face the Thais and our other allies there, or rather be confronted with a situation in which it had been proved that SEATO was of no value to them, because the United States did not take sufficient action. They would then be tempted to feel that the United States could not be depended on if the heat was on them; they would be tempted to make accommodations with the Communists, and we would no longer have a promising situation there at all.

If we tried to retrieve the situation, it undoubtedly would call for a great deal more in the way of material help and assistance than we are now giving.

Senator **Wiley**. Well, the Australians and the New Zealanders are over there; they are good scrappers, and if they can join in we probably can bluff them. We don't want another Korea if we can escape it.

Mr. **Parsons**. No, sir, we don't.

Senator **Sparkman**. We don't want another Dien Bien Phu, either.

Mr. **Parsonss**. Absolutely.

Senator **Lausche**. May I ask a question?

Senator **Wiley**. I presume our State Department and others have taken that all up with the SEATO partners, particularly the ones I mentioned, who really have a lot of stuff on the ball.

Mr. **Parsons**. Yes.

Senator **Wiley**. And certainly in view of the fact that Britain has an adviser there, as you have said, they ought to be able in the next few days to formulate a plan and simply let them know what is what.

It seems to me that is the answer; otherwise, if we dilly-dally now, if these people from the U.N. get out there, they can find the facts, whatever they are. I don't know.

The **Chairman**. Senator Lausche wishes to ask a question.

Senator **Lausche**. I would just like to probe this subject of where the origin of this is.

COMMUNIST BACKING OF NORTH VIETNAM

You make the immediate decision that North Vietnam did not precipitate this difficulty on its own.

Mr. **Parsons**. It must have been known to the major partners—the Chinese and the Russians in Moscow—that North Vietnam could not press this very far without knowing it had the support of its partners.

Senator **Lausche**. Do you lay the primary responsibility with the Soviet Union or Red China?

Mr. **Parsons**. I don't think any of us can answer that with assurance, Senator.

Senator **Lausche**. All right.

Now, then, this is what bothers me: If you lay it to Khrushchev, you have to assume that he decided that his visit to the United States would be made most successful if, simultaneously with that visit, he provoked trouble over there.

I can't bring my reasoning to support that conclusion. I can't see how he would have decided that it would help him to visit here and at the same time provoke trouble.

I am more inclined to believe that it may be the Red Chinese that have provoked it.

May I have your analysis of what I have just said?

Mr. PARSONS. I think, Senator, that logically it doesn't make any sense for Khrushchev, if he hopes to have a successful visit here, to provoke this kind of situation.

On the other hand, it is possible that, as they have done before, Khrushchev as a Communist creates a situation only to make a false concession at a later time by dampening it down again.

But I personally lean to the view which I think you hold, that this is more a Far Eastern matter than a Russian matter, and I hope that the Russian influence, which is undoubtedly a major one in Peking, would be in the direction of dampening it down.

Senator LAUSCHE. I think that they can dampen it; they can quiet it.

Mr. PARSONS. It is in part for this reason that we have said in our public statements that Ho Chi Minh has just been in Moscow; that the fellows in the Politburo have seen Mikoyan, and so on, put the bee on them.

Senator LAUSCHE. You see, I have in mind that he was there, but the talk could have been, "We contemplate making trouble. What do you say about it, Khrushchev?"

And Khrushchev said, "I will not interfere. Go ahead and do whatever you please."

The other assumption would have been that Khrushchev told them to go ahead.

Senator CAPEHART. Will you yield?

Why is Khrushchev going by way of Peking?

Mr. PARSONS. He would have a natural reason for wanting to go there and tell them about the talks here, and not to let them feel that he has reached some secret agreement with us here. But to go back, if I may for a second, to what Senator Lausche was saying, I think that Khrushchev, for instance—we are only speculating—may have said, "O.K., go ahead with this, but only go to a certain point." If he sees that our reaction is strong enough and the reaction of SEATO and the U.N. is strong enough, we may get to that point and perhaps the situation will be dampened down again.

Senator LAUSCHE. I have nothing more.

The CHAIRMAN. Any other questions?

[No response.]

The CHAIRMAN. Is there anything further you could add?

Senator LAUSCHE. There is this question:

SEATO'S OBLIGATIONS

The immediate danger confronting us is that we are tied into SEATO, and under the protocol, though Laos is not a part of the SEATO agreement, if Laos falls upon SEATO, SEATO is obligated to help it. Is that it?

Mr. PARSONS. The members are obligated to act in accordance with their constitutional processes, to meet the common danger.

Senator LAUSCHE. We are a member of SEATO.

Mr. PARSONS. Yes, sir, we are. We are the heart of SEATO.

The CHAIRMAN. Not only a member; we are it.

Senator SPARKMAN. All of it.

The CHAIRMAN. Mr. Parsons, what is your view about what I should say to the press about this meeting?

Mr. PARSONS. If it is satisfactory with the committee, I would prefer that it just be referred to in terms of a general report from me on the situation in Laos, and that steps have been taken by the executive branch in connection with Laos—something rather general.

The CHAIRMAN. What I really had in mind is this: I wonder—and I want your views about it—if we can't be of use to you by a statement that you made a report, a briefing on the situation in Laos, and that it was my impression that the administration's attitude is one of great firmness; there is no disposition to retreat or to give up Laos to the Communist onslaught, something like that. Would that not serve your purpose?

Mr. PARSONS. I think it would serve the purpose and would be consistent with the attitude that has been taken.

The CHAIRMAN. I always think that sometimes we can say things that maybe you don't want to, being in the executive branch, and yet we can serve your purpose.

I don't want to create any problems. I wonder if something of that nature would be useful to help deter any rash move on the part of the Communists, assuming that they are just probing to see how firm we are.

Mr. PARSONS. I think it would be helpful. I would like to tell Mr. Dillon by telephone, if that is in order, that this is what has been put to me.

The CHAIRMAN. I don't wish to violate any confidences; but on the other hand, I know they are going to come in here and say, "What can you tell us?" If I say nothing, they are very disappointed and they immediately begin calling every member and trying to weasel out something. If you give them a little bit they can tell or give a story, that is the end of it, and it might be useful.

PRECIPITATED BY THE COMMUNISTS AS A WHOLE

Mr. PARSONS. I think it would be desirable.

Senator LAUSCHE. May I express a view of my analysis of it?

He has given a description of what took place. Each one of us probably has tried to decide whether this had its initial strength from North Vietnam, and so that I decided that it was precipitated from the Communists as a whole, on the North Vietnam side, and that it did not occur because of what the Communists are claiming. So in my opinion, this problem was precipitated by the North Vietnamese, and I would go beyond that on my own, Red China——

The CHAIRMAN. I think you are entitled from your own knowledge and others' to give whatever theories and views you have about it. What I was thinking——

Senator LAUSCHE. I am not going to say anything.

The CHAIRMAN. No, you can say what you think. We all have our views.

What did the Secretary tell us? I was going to say that he left with me the impression that we are very firm about this matter. We regard it as serious and are of no disposition to retreat, something of that kind.

Mr. PARSONS. That is fair enough. It is perfectly accurate, too.

The CHAIRMAN. And it also is useful.

Mr. PARSONS. I think it would be useful, Senator.

The CHAIRMAN. It seems to me it would. I think if these people are probing, if they are determined to precipitate and take this regardless, that is another matter; it wouldn't deter them. But if they are just probing to see how strong or determined we are, then this might be useful, that is all; it is not important but useful.

Mr. PARSONS. I think it would be important; also, it would fit very nicely with opinions that the British expressed in Moscow, along the same line that the Americans are serious about Laos.

The CHAIRMAN. Yes.

Mr. PARSONS. Which they did at our instigation.

Senator LAUSCHE. You are not intending to express any opinion that you formed on the basis of what he has told us?

The CHAIRMAN. That is just what I am asking him. You see, these are executive meetings, and I don't want to say anything that would embarrass the administration in any way. That is why I asked him for his view on how useful it would be if I said in response to the press that what he told us gives me the impression they are not going to retreat, but show firmness.

Senator LAUSCHE. But that is merely expressing what you think their thinking is. But my question is whether you are then going to say "He left me with the impression there is not going to be a retreat in this matter, and I subscribe to that position." That we subscribe to it?

The CHAIRMAN. We take no votes or anything. All I am saying is, I don't want to make any mistakes; I try not to make any mistakes. I think it is very unsatisfactory unless it is absolutely necessary to just shut them off with no comment.

Mr. PARSONS. I agree with you, Senator. They certainly expect something more.

The CHAIRMAN. They don't like it. If it is so sensitive and so delicate that we should do it, I am perfectly willing to do it, but I rather thought the other approach might be useful.

Mr. PARSONS. I must say the posture we would like to have is one of firmness and determination to meet our commitments and obligations.

The CHAIRMAN. Yes.

Mr. PARSONS. And that is the only one we can possibly win on, it seems to me, so it would be perfectly satisfactory to me, sir, if you wish to do that.

The CHAIRMAN. All right. I will try to keep it as simple as possible. Thank you very much.

Mr. PARSONS. You are very welcome, sir.

The CHAIRMAN. We wish you good luck on your U.N. and SEATO arrangements.

Mr. PARSONS. It is not my field, so I can say I think our U.N. people both here and in New York did a superb job to get this through as quickly as they did. And a very ingenious job, too.

The CHAIRMAN. Good. Thank you very much.

[Whereupon, at 5:30 p.m., the committee adjourned.]

MINUTES

THURSDAY, SEPTEMBER 17, 1959

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met in executive session in the office of the chairman, room 4213, New Senate Office Building, at 3 p.m.

Present: Chairman Fulbright, Senators Green, Mansfield, and Hickenlooper.

Harold C. McClellan, Manager of the American Fair in Moscow, was present and briefed the committee on the operations of the U.S. exhibit in that city.

For record of the proceedings, see the official transcript.

[Following his presentation, the committee adjourned at 4 p.m.]

VIETNAM SITUATION

MONDAY, DECEMBER 7, 1959

United States Senate,
Subcommittee on State Department
Organization and Public Affairs
of the Committee on Foreign Relations,
Saigon, Vietnam.

The subcommittee met, pursuant to call, at 11 a.m., in the conference room of the Operations Mission, Saigon, Vietnam, Hon. Albert Gore, presiding.

Present: Senators Gore and McGee.

Also present: Hon. Elbridge Durbrow, United States Ambassador to Vietnam, and John Newhouse of the subcommittee staff.

[This transcript was published with deletions in 1959. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page numbers, in brackets, are to the previously published text.]

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LIKELIHOOD OF AGREEMENT TO LET UNITED STATES AUDIT ACCOUNT

[P. 244]

Senator **Gore**. Ambassador Durbrow, this is a matter of sufficient importance. Action of our Government in Washington might be necessary to bring about the necessary cooperation to assure to the United States an accurate accounting of these piasters that will constitute a large part of the benefit to this country from America's aid. Have you made representation to the Government?

Mr. **Durbrow**. I have. USOM has, on many occasions. I talked to Mr. Thuan about it and was given to understand that they are about ready to agree. We have been pressing them very hard to get them to do this.

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NEGOTIATION BETWEEN THE UNITED STATES AND VIETNAMESE OFFICERS

[P. 245]

Senator **McGee**. Only to make sure that the record is clear, what instructions to press this further have you received from Washington?

Mr. **Durbrow**. We have been asked to get this matter settled and we have been pressing on this end trying to get them to agree.

Senator **McGee**. Have you been given the authority to go to higher levels here, if necessary?

Mr. **Durbrow**. We have authority automatically to talk to government officials here, to get them to comply with requests that it is in the interest of the United States to have information on. Sometimes they are slow about giving it. If they don't give it, we will have to press harder.

Senator McGee. You mentioned some time ago there was some sensitivity on the question of sovereignty, and most of us understand that this is largely a matter of national pride, and an especially sensitive characteristic in most new countries.

When you say that, do you intimate that there has been a reluctance on the part of our Government in Washington to press this heretofore?

Mr. Durbrow. As far as I know, that did not come up until it came up earlier this year. On other subjects of that kind, either on our initiative or instructions to Washington, we have been going further in pressing these things.

I may have to go to the President to push him on the matter.

Senator McGee. And this has not been dealt with directly with the President of Vietnam?

Mr. Durbrow. Not in my presence. Mr. Gardiner may have—and they have put on pressure—but I do not know if Mr. Gardiner has taken it up with the President.

Senator McGee. In this kind of situation would Mr. Gardiner not have to go through you?

Mr. Durbrow. It was set up before I arrived that the President sees the USOM director on certain matters and they inform me by memos of what they take up with the President. Sometimes I go.

JOINT EFFORTS OF U.S. AMBASSADOR AND USOM DIRECTOR

Senator McGee. Who would inform you that such a negotiation would——

Mr. Durbrow. Mr. Gardiner has been keeping me informed on the question for the last 9 or 10 months.

These memos come to my desk and are brought up at the country team so that I should be informed of all important matters that General Williams and Mr. Gardiner have taken up directly with the President. On this particular matter, Mr. Gardiner did mention it to the President but I didn't hear about it. I know of two discussions in the country team about Mr. Gardiner's efforts to obtain action on this problem.

I talked with the Secretary of State for the Presidency, Thuan, and we have put pressure in written letters in an effort to get agreement on this matter. If it doesn't work that way, we will go to the President or get firmer instructions from Washington.

Instructions would come from Washington if we ask for them. We make recommendations to Washington on different ways we would present these things to get results.

Senator McGee. Do you mean by that, an instance asked without at times——

Mr. Durbrow. On the contrary. I'm sorry—I have on many occasions sent wires to Washington asking for firm instructions so that I can so state to the President or Thuan or the Foreign Minister that I am acting under instruction from Washington.

Senator McGee. So far as you know had there been no instruction from Washington to "go to the mat" on this question?

Mr. Durbrow. We have "gone to the mat," but not to the President.

Senator McGee. Are you prepared to go to the President?

Mr. Durbrow. I certainly am.

Senator McGee. When?

Mr. Durbrow. We tried talking to Mr. Thuan about it. He said he was led to believe they were going to work this matter out. Then if it doesn't happen soon, I will go to the President this month, next month, in the near future.

I haven't talked with Mr. Thuan on this subject for 2 or 3 weeks. We have been awfully busy doing other things and I haven't gotten around to this lately.

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U.S. SUPERVISION AND ALLOCATION OF FUND USES [P. 252]

Senator Gore. This illustrates the necessity of an audit of counterpart funds. We have no such opportunity to see to it that strictly Vietnamese funds, though generated as a result of American aid and paid for in large part by American aid, are properly utilized in accordance with plans which the U.S. Government has approved.

On the other hand, if this building is constructed with counterpart funds, we do have those rights. Is that not correct?

Mr. Durbrow. Yes, sir, the military budget uses counterpart funds. The military budget is gone over very carefully by MAAG. The Vietnamese "get up" the military budget and submit it to MAAG, the comptroller, and other officials. USOM representatives make the piasters available from counterpart funds and it takes several weeks to review the budget. The details are gone over very carefully before the budget is approved.

As I understand it, however, if this auditorium you are talking about has been built out of money which came from the production tax or other government taxes which do not enter into counterpart funds, it would not necessarily be financed out of counterpart. Most of the military budget money comes from the 35 piasters turned over to the counterpart from the importation of a commodity, plus the duty on that particular product. On the basis of that, money is finally made available to the military for expenditure, after review of the budget by the country team.

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U.S. OFFICIALS MAKE END-USE CHECKS [P. 257]

Mr. Durbrow. Senator, I should add one thing. We do have end-use checks of the commercial import program and the project aid we give here.

Mr. Battleman. We make end-use checks on both the commercial import program and the project program.

Mr. Durbrow. It is only in the particular field of customs procedures and audit that we have been denied access. USOM continuously goes through end-use checks of the commercial import program as well as project aid.

Senator McGee. We have to admit that in trying to administer this program it would be a lot easier if this were our colony or our 51st State and it would eliminate some of the questions.

There is still a factor of sensitivity regarding sovereignty.

Mr. Durbrow. We have had to step on some toes here but very much on what might be considered the sovereign side of the picture.

Senator McGee. However, we are going to get as close to the truth as we can.

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[At 5:30 p.m., the subcommittee recessed, to reconvene at 8 a.m., Tuesday, December 8, 1959.]

VIETNAM SITUATION

TUESDAY, DECEMBER 8, 1959

United States Senate,
Subcommittee on State Department
Organization and Public Affairs
of the Committee on Foreign Relations,
Saigon, Vietnam.

The subcommittee met, pursuant to call, at 8 a.m., in the conference room of the Operations Mission, Saigon, Vietnam, Hon. Albert Gore presiding.

Present: Senators Gore and McGee.

Also present: Hon. Elbridge Durbrow, United States Ambassador to Vietnam, and John Newhouse of the subcommittee staff.

[This transcript was published with deletions in 1959. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page numbers, in brackets, are to the previously published text.]

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ABILITY OF VIETNAMESE TO TAKE OVER FUNCTIONS OF CAPITOL ENGINEERING CORP. [P. 320]

Mr. Newhouse. On August 7, 1959, a cable to USOM signed by Riddleberger asked these questions regarding 65 bridges to be designed by Capitol. Since plans are to be available, has consideration been given to use of unit price or lump-sum contracts, has the program of Capitol Engineering been effective enough to allow GVN to design and supervise construction of the bridges? Will standard design spans be utilized on bridges, with standard abutments? Have such standards been worked out? We have a copy of that cable but we do not have the response.

What is the response?

Mr. McCauley. May I get a copy of the cable?

Mr. Newhouse. I don't have it. I have it in the files in Washington; it is dated August 7, 1959.

Mr. McCauley was not given an opportunity to answer this question after obtaining the cable of August 7. However, the cable was answered under date of August 15 by USOM indicating that it was desirable to consider this work as part of phase 2 of the JDP contract. We did not consider a lump-sum contract desirable at the time or that standard designs would be used to the fullest extent possible on all spans, piers and abutments.

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WIDTH OF ROUTE 14 [P. 330]

Senator GORE. Mr. McCauley, I recognize that when the Vietnamese construct highways, the U.S. Government officials, such as you, do not make inspections and cannot guarantee that certain standards are met, even though the project is being financed largely with funds generated by American aid.

But in this country when, according to the Ambassador's testimony, we are supporting the bulk of the national budget and supplying the direct military assistance, the construction of a four-lane highway in the midst of a jungle becomes a matter of concern. It becomes a drain on the economy of this country which ultimately must in part fall on our country, due to the circumstances prevailing here.

It undoubtedly has an important place; but even so, it appeared to me—as it appeared to Mr. McCauley—to be larger than the requirements would justify. I hope that's a fair statement.

Mr. DURBROW. Is it that wide all the way along?

Mr. MCCAULEY. No, sir, it is not that wide all the way along.

Mr. DURBROW. Senator, this will become a bypass of Route 14 to Banmethuot. As I explained—I think to Senator McGee—the present Route 14 literally goes along the frontier of Cambodia. For some time, they haven't been getting along too well together. With the Cambodians going more leftish by recognizing the Chinese Communists, Diem does not want the main, spinal road forming the frontier within a yard or so. This is a bypass main road, and MAAG concurs.

General LAMPERT. Yes, sir.

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APPRAISALS OF HIGHWAY PROGRAM [P. 332]

Senator MCGEE. That raises a question of our total outlay on the whole highway program. This whole contract program now costing $45,600,000 may be, Mr. Ambassador, an appropriate point for you to tell us for the record—in order to summarize the record—what we have gotten for our money.

Mr. DURBROW. We have a road program costing so far $66 million, as I understand it. We have gotten good value for Vietnam, our friend in this part of the world. This program is giving Vietnam what will help its own economy as well as serving strategic purposes by carrying heavy equipment to the high plateau, particularly since the Cambodians are going further left.

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COMMUNICATION WITH VIETNAM GOVERNMENT [P. 356]

Senator GORE. I can tell from your answer that you are aware of the problem and that you are working at it.

Mr. DURBROW. I think I am, Senator.

Senator GORE. Does the Government of Vietnam sometimes attempt to go around you or to go directly——

[Discussion as to whether to go off the record. Decided all would be satisfactory if this section is marked confidential.]

Senator GORE. Does the Government of Vietnam tend to bypass you as Ambassador, or go over your head to MAAG, USOM, or even to Washington?

Mr. DURBROW. All governments try, I think, to drive their team in between our team. I hope that that is covered here. As I mentioned before, General Williams goes to see the President; Mr. Gardiner goes to see the President—sometimes alone, sometimes two or three of us together. My instructions are that they must write a memorandum of conversation immediately so that I will know what the President said. The same instructions apply if they talk to Mr. Thuan and others. They write a memorandum for my information and submit it and, usually at the country team meeting, they give me an oral fill-in on their last talk with the President, Thuan.

Senator GORE. Is there a policy from Washington that would discourage direct dealings between the Chief of MAAG and the heads of state, or the manager of USOM and heads of state? Is there a policy from Washington which would indicate that the Ambassador should be the medium of contact—of communications with the head of state of a government?

Mr. DURBROW. I don't know of any written instruction to that effect. That is usually the case, Senator. When I arrived here in April 1957, Mr. Barrows had been here a long time. General Williams also had been here a long while. President Diem for some time had been seeing them individually and also collectively; and as long as the General and Mr. Barrows informed me of what was said, I did not see fit to try to be the exclusive link with President Diem. On military matters, for instance, I would be no good whatsoever. I can say quite categorically that General Williams has the confidence of President Diem on military matters; and many times when the President has brought up something out of his field, the General has said, "You better ask the Ambassador; ask Mr. Gardiner," and so forth. The relationship between General Williams and the President is very much in U.S. interests. The progress that has been made in training and bringing them up to high standards of military forces here is basically due to the relationship between the President and General Williams. The President has confidence in General Williams; the same thing on the USOM side. Does that answer that question, sir?

Senator GORE. Yes, my question implied no criticism and I did not intend any such implication. I seek information on the operation of the country team here and the relationship not only between officials of our Government but relationships between officials of our Government and the Vietnamese Government.

VIETNAMESE APPEALS TO WASHINGTON

Senator MCGEE. Are you aware of any instances in which Washington was contacted in an attempt to bypass you?

Mr. DURBROW. Yes, sir, the Vietnamese Government has tried to work through their Ambassador in Washington when it was running into a stone wall here but Washington brings such matters to our attention immediately. I don't know of any that have slipped by. They send us memorandums of conversation or telegrams telling us what the Vietnamese Government tried. Then we communicate to Washington on our positions, etc.

Senator MCGEE. In other words, there has been no instance of a successful end run.

Mr. DURBROW. None that I know of.

Mr. Elting. I don't recall any.

[Discussion off the record.]

Senator Gore. Have there been instances in which General Williams, as a result of his contact with the President, has reported matters to his command or to Washington prior to having reported it to you?

Mr. Durbrow. I don't recall any, Senator. There were a couple of telegrams from MAAG which were not fully coordinated and about which I told Mr. Marcy when he asked that question. Apart from these I tried to rack my brain and asked the rest of the members of the country team to rack their brains as to whether there might be other incidents of that kind, but none could recall any. I have given Mr. Newhouse a memorandum indicating where we have had a difference of opinion, but these were not on basic policy matters. I have handed that to Mr. Newhouse already.

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MILITARY AID TO VIETNAM [P. 357]

Senator Gore. The next general area that I would like to inquire into with respect to country team operations is the military aid which we will contribute to Vietnam. General Williams, would you be so kind as to tell us the procedure that is followed in this regard?

General Williams. Going back to 1955 when I came here, the first budget we started working with would be the budget for 1956. The Vietnamese military had never prepared a budget up to that time, to my knowledge, and I frankly think no other Vietnamese Ministry had either. As I understand it under the system prior to the time we started working here, they had a custom of getting their money in a lump sum and doing with it as they saw fit; and I was told when we started our system that our problem was getting them to make a budget before they began. Heretofore, they had always made their budget after the year was over. But that is hearsay.

At that time I had, if I recall correctly, three officers in my comptroller's section. With those three people and other staff officers, we asked the Vietnamese to allow our officers to come to the Department of Defense and show them how to make a budget, and they readily agreed. And we have followed that policy straight through each year and the last year or two on a decreasing scale because they have learned the procedure of building a budget as we in the American Army know how to prepare a budget. After they prepare that budget, they submit it to MAAG. After MAAG receives it, a group of officers reviews it and they are my Division Chiefs, the people who are the most fully informed of our situation and what our aims are and what we are trying to do. Last year for the year 1960 budget, for instance, the chairman of that group was General Lampert. Those officers take the budget as submitted to them by the Vietnamese; and although they are not excused from all of their other duties, that duty takes up their time almost entirely for a period of anywhere from 30 to 45 or 50 days. General Lampert, approximately how much time did you put in for the 1960 military budget?

General Lampert. Slightly longer than 2 months.

General Williams. I bring that out because it is such a man-hour consuming operation. They are supposed to be running their divisions and keeping them up to standard at the same time. When they are doing that, representatives from USOM sit in and listen to the discussions. They invite the Vietnamese to come to these discussions and the budget is taken up item by item, chapter by chapter, article by article, and the Vietnamese attempt to defend what they have asked for, or what they hope to have in their budget. When that committee gets through with the budget, they bring it to me and I consult those officers that I feel I should consult, depending on what item I don't understand. I personally go over the budget—and this time it took me close to 30 or 40 days to get it done, because of other things. And I come down to what I think is the irreducible minimum for the budget to be. After I do that, I notify the country team that we would like to have them present at such a time and place, so a presentation of the budget could be made to the country team. That presentation is made to the country team and from then on it is in the hands of the country team, as a country team problem.

VIETNAMESE MILITARY BUDGET

Senator **Gore**. Mr. Ambassador, at this point, is it your function or the function of MAAG to transmit this proposed Vietnamese military budget to Washington?

Mr. **Durbrow**. It is MAAG's function. It goes out of the country team when the team approves after changes are made based on the team recommendations.

Senator **Gore**. Does that go to DOD?

General **Williams**. No, it goes to CINCPAC. Last year CINCPAC told me to send the budget and at that time the country team had not finished work on it. I sent the controller to CINCPAC, so we were working on it concurrently.

Mr. **Durbrow**. I wish to add that I was fully informed and we concurred in that to save time.

Senator **Gore**. At what point are you required to report to the Department of State on this procedure?

Mr. **Durbrow**. Telegrams on military budget and other military matters go through Defense and are passed to State. If there is any question by the country team regarding any such matter our comments are sent to State and passed to CINCPAC. It is not just for budget that we send most of our substantive messages to CINCPAC, because Admiral Felt has a great deal of interest in not only military but also political developments in this area. Most of our dispatches go to the attention of CINCPAC POLAD, that is, Political Advisor to CINCPAC, so that Admiral Felt is informed of our thinking.

Senator **Gore**. You feel, then, that the Department of State is kept currently and fully informed.

Mr. **Durbrow**. I am sure they are, sir, unless the coordination of Washington breaks down, and I haven't heard that it has.

I might add that we received messages last year about the amount of money the Department of State and ICA felt we could contribute to the military budget for CY 59, namely $130 million. Our efforts to come as close as possible to this figure is one of the reasons we had this delay General Williams spoke of. We finally agreed to increase the American contribution last year to $144.6 million, but then this January, shortly after this process had been gone through, we told the Vietnamese Government that, based on all indications we had had, they should not count on having more than $130 million for the calendar year 1960. They make their budget on a calendar year basis.

A COUNTRY TEAM DECISION

Senator **Gore**. General, would you say that imparting such information creates more or less pain in the Vietnamese Army officials than imparting such information by the Director of Budget to our own military leaders in Washington?

General **Williams**. I would say this is not because the Vietnamese do not know as much as our people do. Not in that respect. We have, since the first time I started working with the budget here, an outline of four budgets. And I think it is largely due to the country team, up until now at least, and this had happened—I have cut that budget $31.6 million in 4 years.

Mr. **Newhouse**. Mr. Ambassador, was that figure you mentioned last year higher or lower?

Mr. **Durbrow**. We have two figures to play with. There is the overall total GVN military budget transmitted into dollars at the 35 to 1 rate which has gone down, as the General pointed out. As I recall, the budget submitted originally to the country team was $177 million; was it not, General?

General **Williams**. As originally made to the country team for the 1959 budget, I can't tell you the figure; but I can tell you what we did after discussion at the country team. We reduced it by $500,000 and then we delayed or postponed close to $2 million at the latter part of the year.

Mr. **Durbrow**. The overall military budget as submitted to the country team was about $4 million over the figure we had suggested at the beginning of this year. We told the GVN they should try to plan their overall military budget to be within a ceiling of $165 million. We also told them then that our contribution would not be more than $130 million. After General Williams made his review from a military point of view and we went over it. I still felt the total military budget should be scaled down to $165 million from $169 million. As General Williams pointed out it is a country team decision and basically mine to make. I suggested that we have a committee consisting of representatives of the Political Section, USOM, and MAAG officers to go over this budget again to see if we could reach these two figures—not more than $130 million for the U.S. contribution and $165 million for the overall military budget.

General **Lampert**. The committee report is almost ready.

Mr. **Newhouse**. Mr. Ambassador, my impression, which may be inaccurate, is that last year the disagreement on military aid levels between the country team and MAAG, perhaps between you and General Williams, was referred to Washington and thrashed out by DOD and State and that recommendations came back from DOD and State that certain military costs be deferred and that the deferral of these expenses brought the figure down close to the figure you had been aiming at. The process is different this year. The procedure General Williams described was followed. Then you insisted that the special committee come in with a figure not in excess of $165 million. This apparently was done, and this is the figure you will recommend to Washington.

Mr. **Durbrow**. We were late last year trying to work out what cuts could be made. Colonel Taylor, the MAAG comptroller, went to CINCPAC in Honolulu so they could save time by getting it back to CINCPAC while we were working on it here. The result was that we came close to the figure I had suggested.

Mr. **Newhouse**. The give and take on this was actually in Washington last year, and this year in Saigon. Is that a fair statement?

General **Williams**. Mr. Elting doubts that and I do, too. I think Washington accepted the 1959 budget that went out of here.

Mr. **Durbrow**. We were a little slow on it.

Mr. **Elting**. These reductions were worked out in the country team.

General **Lampert**. During that period in 1958 there was a series of discussions and, as I recall, when our comptroller was in Washington, Mr. Esman—former program chief USOM—happened to be in Washington on other business so there was a sort of representation of the country team in Washington. There was a detailed review of this business and it was suggested in Washington that the country team get to a lower figure if possible by deferring certain items which might be deferred. Following that, a special subcommittee was created by the Ambassador last year, as he has also done this year, which recommended certain items for deferral. Together with the approximately half million previously cut out, the budget was then at a figure down to $174.8 million. This was actually done here.

Mr. **Newhouse**. I see; thank you, General.

Mr. Ambassador, did the inclusion of section 523 in this year's Mutual Security Act have any effect on your guidance on the country team?

Mr. **Durbrow**. That is helpful, in my opinion. I am not technically qualified to judge on military matters and I naturally have to defer to General Williams and his staff. But it was my evaluation after consulting with the country team and MAAG officers particularly that, for instance, their ammunition supply here is relatively low. Laos was in trouble and still is, and I went along with the MAAG that they should increase the MAP to provide a better ammunition reserve here in view of the situation in this area. On another matter I did not concur with respect to inclusion in the top priorities in a MAAG submission of tractors, bulldozers, scrapers, etc. I asked USOM and MAAG to give me a list of tractors, bulldozers, scrapers, etc., on record as being on hand in Vietnam. There was no war on yet. If a real emergency should develop in Vietnam, all the Department of Public Works scrapers, bulldozers, etc., automatically would go to the Armed Forces. I did not concur in the priority given by MAAG to that type of equipment in that particular case.

LONG-RANGE PLANNING IN VIETNAM

Mr. **Newhouse**. Does the country team favor long-range planning in Vietnam on the economic side?

Mr. **Durbrow**. Yes, we do. It is almost like saying we are against sin. But in a newly developing country it is very difficult to have any realistic long-range plan. They were working on it here, when I first arrived in Vietnam. Mr. Huynh Van Diem, who is director of the plan, and a couple of U.N. planning experts who were here before I arrived, were trying to work out a 5-year plan, but they would not show it to us at first. The principal reason was it was unrealistic and no good. This was their first attempt at it and it didn't work out well. Mr. Vu Van Thai, whom we talked with last night——

Senator GORE. I talked with him last night and found him to be very intelligent. I discussed with him the problems of the country as I did with the President in your presence and with the benefit of your excellent interpretation yesterday morning, the problems and hazard come from the country's depending too heavily on revenue derived from import taxes. I suggested to him, as I have to the President, that this might be self-defeating, in that as the country built up its production in approaching self-sufficiency, it would automatically and simultaneously reduce the revenue for the GVN. I found the budget director was fully aware of the situation and agreed with me that it was not a healthy state of affairs. He outlined plans which he said the GVN was considering as a start toward a solution to this problem. Thanks to your hospitality to me and to him I had this opportunity and I thank you for that.

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WORLD BANK AND FORD FOUNDATION ACTIVITIES [P. 359]

Mr. NEWHOUSE. Thank you, General. Mr. Ambassador, what is your opinion of this Government proposal to bring in some real topnotch economists to be selected by the World Bank and the whole thing to be financed by the Ford Foundation?

Mr. DURBROW. We are in favor of that. When the IBRD people were out here between January and April that was the one thing they discussed with us. The GVN wanted a World Bank loan. The representative said that was not considered at all, but they thought of sending out some of these topnotch economists.

Mr. NEWHOUSE. Has the mission ever had at its disposal a really top-ranking economist?

Mr. DURBROW. We have had some really good ones here.

Mr. SMITH. I don't think any economist sent here by the State Department would satisfy the GVN. They would feel we were working for USG interests. The Vietnamese Government has made it clear that it wants to recruit economists through the World Bank. I understand that it has been in contact with the Bank, that it has made many requests and that the World Bank was unable to assist them in their overall planning. They have made it clear they don't feel it would be a proper role for USOM because our interest would be in serving our Government.

Mr. ELTING. They are suspicious of the advice that such an economist attached to the United States might give them. They prefer their own men.

Mr. NEWHOUSE. I should think the recommendation for planning could be made by the USOM—unless they don't want USOM getting mixed up in their economic plan.

Mr. DURBROW. Yes, that is their concept. They don't have qualified people. They want the best financial experts that would give them the most objective advice on strengthening their financial structure, economy, etc.; and, knowing the Congress has cut down aid, they fear we might be prejudiced and they don't hide it from us.

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[At 4:30 p.m. the hearing was adjourned.]

APPENDICES

APPENDIX A. PROPOSED BILATERAL AGREEMENTS

FEBRUARY 18, 1959.

Hon. WILLIAM M. ROUNTREE,
Assistant Secretary of State,
Washington, D.C.

DEAR MR. ROUNTREE: These are the written inquiries which I referred to in my discussion with you during your appearance before the Foreign Relations Committee February 17 in connection with the executive agreements which the executive branch intends to sign with Turkey, Iran, and Pakistan.

1. Why should not these agreements be in the form of treaties?
2. In what material respects do these agreements differ from the Southeast Asia Collective Defense Treaty, the ANZUS Pact, and our bilateral defense treaties with China and Korea?
3. In what material respects do the obligations undertaken by the United States in these agreements differ from the obligations which would be undertaken by the United States if it adhered to the Baghdad Pact?
4. Why does the State Department think the United States ought not to adhere to the Baghdad Pact?
5. If the agreements are not based, at least in part, on the so-called Mansfield-Humphrey amendment to the Middle East resolution, what specific language in that resolution are they based on?

As I mentioned to you in the committee meeting, I hope that your replies will be both explicit and detailed.

Sincerely,

MIKE MANSFIELD.

FEBRUARY 28, 1959.

Hon. MIKE MANSFIELD,
Committee on Foreign Relations,
United States Senate.

DEAR SENATOR MANSFIELD: Since Mr. Rountree will be out of Washington for a few days, he has asked me to transmit to you the Department of State's replies to the several questions raised in your letter to him of February 18, 1959. These replies are set forth below in question and answer form to allow convenient reference.

Question 1. Why should not these agreements be in the form of treaties?

Answer. The Department of State has envisaged from the outset that the proposed bilateral agreements would not involve any new or increased commitments by the United States. In the last paragraph of the Declaration signed at London on July 28, 1958, a copy of which is enclosed for your convenience, the United States undertook to enter into agreements of cooperation with Iran, Pakistan and Turkey, but only pursuant to existing Congressional authorization. Accordingly, each commitment undertaken by the United States in the proposed agreements is expressly made in accordance with, and subject to, the Joint Resolution to Promote Peace and Stability in the Middle East (hereafter referred to as the Middle East Resolution) and/or the Mutual Security Act of 1954, as amended (hereafter referred to as the Mutual Security Act). Thus, in Article I the United States undertakes to take only such action as it may agree upon and as is authorized by the Middle East Resolution. In particular, action involving the use of armed forces is subject to all the conditions of the last sentence of section 2 of that Resolution. In Article II the United States undertakes to furnish only such assistance as it may agree upon and as is authorized by the Mutual Security Act. In Article IV the United States undertakes to cooperate in preparing and participating only in such defensive arrangements as it agrees are desirable and only to the extent and in the manner authorized by Article I or Article II, depending upon whether the authority of the Middle East Resolution or the Mutual Security Act is to be invoked. Since the proposed agreements are fully authorized by existing statutes, they may properly be concluded as executive agreements without ratification by the President upon the advice and consent of the Senate.

Question 2. In what material respects do these agreements differ from the Southeast Asia Collective Defense Treaty, the ANZUS Pact, and our bilateral defense treaties with China and Korea?

Answer. The proposed agreements and the four treaties differ in five material respects. First, all four treaties obligate the United States to act to meet the common danger when any signatory is attacked, although such action must of course be in accordance with Constitutional processes. The proposed agreements obligate the United States to take only such action as it may agree upon. Thus, the former is a commitment to act and the latter only an obligation to consider whether to act. Second, three of the four treaties require the United States to meet the common danger upon an act of aggression against a signatory from any source; in the case of SEATO, of course, the United States Understanding limits its obligation to act to meet the common danger in case of Communist aggression. The proposed agreements require the United States to consider whether to act only upon an act of aggression by a country controlled by international communism. Third, the four treaties are written in terms of reciprocal obligations. The proposed agreements do not require the other signatories to assist the United States. Fourth, the SEATO and Chinese treaties deal only briefly with economic development; there is no mention of economic development in the ANZUS and Korean treaties. The proposed agreements set forth a more specific obligation on the part of the United States with respect to economic development. Fifth, at least two of the treaties, i.e., the Chinese and Korean treaties, grant the United States the explicit right to station forces in and about the territory of the other signatory. The proposed agreements grant no such right.

Question 3. In what material respects do the obligations undertaken by the United States in these agreements differ from the obligations which would be undertaken by the United States if it adhered to the Baghdad Pact?

Answer. The obligation to take such action as may be mutually agreed upon to cooperate for security and defense is, of course, inherent in both the proposed agreements and the Baghdad Pact, a copy of which is enclosed for your convenience. The obligations differ, however, in three material respects. First, under the Baghdad Pact the United States obligations would not be limited to any specific kind of action and would be invocable in case of aggression from any source. Under the proposed agreements the United States obligations are limited only to such action as is authorized by the Middle East Resolution and/or the Mutual Security Act. Second, under the Baghdad Pact the United States obligations would extend to all the other signatories, including Iraq, which has ceased to be an active participant in Pact activities since the *coup d'etat* of July 14, 1958, and whose current attitude toward the free world remains uncertain. Under the proposed agreements the United States obligations extend only to Iran, Pakistan and Turkey. Third, under the Baghdad Pact the obligations of the members are reciprocal. Under the proposed agreements, the obligations extend only from the United States to the other signatories.

Question 4. Why does the State Department think the United States ought not to adhere to the Baghdad Pact?

Answer. We have frequently been urged by members of the Baghdad Pact to adhere to it, but have consistently declined to do so. Our position in this regard is prompted by the belief that on balance our area-wide interests make formal membership in the Baghdad Pact undesirable at this time. The fact of the matter is that several Middle East Governments, while friendly to the West, do not favor the Pact for various reasons of their own. Our present policy of strong support of the Pact short of formal adherence enables us, on the one hand, to help further the Pact's objectives, while, on the other, to maintain our friendship and optimum influence with non-member states in the Middle East area. We hope that the proposed agreements may constitute an adequate alternative to formal membership in the Pact. In this connection, it is to be noted that adherence to the Baghdad Pact might still require supplementary agreements as expressly permitted in Article I of the Pact.

Question 5. If the agreements are not based, at least in part, on the so-called Mansfield-Humphrey amendment to the Middle East resolution, what specific language in that resolution are they based on?

Answer. The so-called Mansfield-Humphrey amendment to the Middle East Resolution, i.e., the second sentence of section 2 of that Resolution, is clearly a highly significant affirmation of United States policy interest in the preservation of the independence and integrity of the nations of the Middle East. For this reason, we have included it in the preamble of each proposed agreement, with a slight modification to specify the respective Middle East nation concerned.

Since, however, the Mansfield-Humphrey amendment is basically a statement of purpose, we recognize that it does not authorize executive agreements. Accordingly, the operative articles of the proposed agreements are based on other language of the Middle East Resolution and/or the Mutual Security Act. The obligation contained in Article I to use armed forces if the United States agrees thereto is based on the last sentence of section 2 of the Middle East Resolution, viz., "To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States." The obligation in Article I to take such other appropriate action as the United States may agree upon is based on section 1 of the Middle East Resolution, viz., "That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East, desiring such assistance in the development of economic strength dedicated to the maintenance of national independence", and on the first sentence of section 2 of the Middle East Resolution, viz., "The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance."

Article II is based on the Mutual Security Act which authorizes such types of assistance as military assistance (section 102), defense support (section 131), loans of the Development Loan Fund (section 202), technical assistance (section 302), and special assistance (section 400).

Article IV is based on the sections of the Middle East Resolution quoted above and the Mutual Security Act.

I hope the above will be of help to you. Please let me know if the Department of State can be of further service.

Sincerely yours,

WILLIAM M. MACOMBER, Jr.,
Assistant Secretary.

APPENDIX B. THE MUTUAL SECURITY ACT OF 1959

Calendar No. 405

86th CONGRESS
1st Session

S. 1451

[Report No. 412]

IN THE SENATE OF THE UNITED STATES

March 18, 1959

Mr. Fulbright (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

June 22, 1959

Reported by Mr. Mansfield (for Mr. Fulbright), with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Mutual Security Act of 1959".~~

~~Chapter I—Military Assistance~~

~~MILITARY ASSISTANCE~~

~~Sec. 101. Section 103(a) of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by striking out "1959" and "$1,605,000,000" and substituting "1960" and "$1,600,000,000", respectively.~~

~~CHAPTER II—ECONOMIC ASSISTANCE~~

~~DEFENSE SUPPORT~~

~~SEC. 201. Section 131 (b) of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1959" and "$810,000,000" and substituting "1960" and "$835,000,000", respectively.~~

~~DEVELOPMENT LOAN FUND~~

~~SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:~~

~~(a) In section 203, which relates to capitalization, strike out "(a)"; and insert before the period at the end of the second sentence ", and for advances to the Fund beginning in the fiscal year 1960, not to exceed $700,000,000".~~

~~(b) In section 204 (b), which relates to fiscal provisions, strike out "(a)" in the second sentence.~~

~~(c) Amend section 205, which relates to management, powers, and authorities, as follows:~~

~~(1) In subsection (b), strike out "three" in the second sentence and substitute "four".~~

~~(2) In subsection (c), strike out the last sentence.~~

~~TECHNICAL COOPERATION~~

~~SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:~~

~~(a) In section 304, which relates to authorization, strike out "$150,000000" and "1959" and substitute "$179,500,000" and "1960", respectively.~~

~~(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:~~

~~(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$20,000,000" and "1959" and substitute "$30,000,000" and "1960", respectively.~~

~~(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1959" and substitute "1960".~~

~~(c) In section 308, which relates to the International Development Advisory Board, insert "or officers" after "officer" in the first sentence and strike out "to administer this title" in that sentence.~~

~~SPECIAL ASSISTANCE AND OTHER PROGRAMS~~

~~SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:~~

~~(a) In section 400(a), which relates to special assistance, strike out "1959" and "$202,500,000" and substitute "1960" and "$271,800,000", respectively.~~

~~(b) Insert after section 400 the following new section:~~

~~"SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year 1960 funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force.".~~

~~(c) In section 402, which relates to earmarking of funds, strike out "1959" in the first sentence and substitute "1960".~~

~~(d) In section 403, which relates to responsibilities in Germany, strike out "1959" and "$8,200,000" in the first sentence and substitute "1960" and "$7,500,000", respectively.~~

~~(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:~~

~~(1) In subsection (c), strike out "1959" and "$1,200,000" and substitute "1960" and "$1,100,000", respectively.~~

~~(2) In subsection (d), strike out "1959" and "$8,600,000" and substitute "1960" and "$5,200,000", respectively.~~

~~(f) In section 406, which relates to children's welfare, strike out "$11,000,000" and "1959" and substitute "$12,000,000" and "1960", respectively.~~

~~(g) In section 407, which relates to Palestine refugees in the Near East, strike out "1959" in the first sentence and substitute "1960".~~

~~(h) In section 408(c), which relates to the North Atlantic Treaty Organization, strike out "four" and substitute "five".~~

~~(i) In section 409(c), which relates to ocean freight charges, strike out "1959" and "$2,100,000" and substitute "1960" and "$2,300,000", respectively.~~

~~(j) Section 410, which relates to Control Act expenses, is repealed.~~

~~(k) Amend section 411, which relates to administrative and other expenses, as follows:~~

~~(1) In subsection (b), strike out "1959" and $33,000,000" and substitute "1960" and "$39,500,000", respectively.~~

~~(2) In subsection (c), strike out "; not to exceed $7,000,000 in any fiscal year,"; and insert before the period "; and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided*, That, in addition, funds made available for carrying out chapter I of this Act shall be available for~~

~~carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct".~~

~~(l) Amend section 413 (b) (4), which relates to encouragement of free enterprise and private participation, as follows:~~

~~(1) In subparagraph (B) (ii), insert before the semicolon ", revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection".~~

~~(2) In subparagraph (F), strike out "$500,000,000" and substitute "$1,000,000,000".~~

~~(m) In section 419 (a), which relates to atoms for peace, strike out "1959" and "$5,500,000" in the second sentence and substitute "1960" and "$6,500,000", respectively.~~

~~CHAPTER III—CONTINGENCY FUND~~

~~SEC. 301. Section 451 (b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1959" and "$155,000,000" in the first sentence and substituting "1960" and "$200,000,000", respectively.~~

~~CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS~~

~~SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:~~

~~(a) In section 505(b), which relates to loan assistance and sales, strike out the third sentence and substitute the following: "United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to the Development Loan Fund, and, notwithstand-~~

~~ing section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of title II of chapter II of this Act.”.~~

~~(b) In section 516, which relates to prohibition against debt retirement, insert before the period “: *Provided further*, That in the event the President determines that use of a specified amount of counterpart in any particular country for purposes other than that prohibited by this section would adversely affect economic and financial stabilization of that country, such counterpart may be used without regard to the restrictions of this section”.~~

~~(c) In section 527 (b), which relates to employment of personnel, strike out “sixty” and “thirty-five” in the first sentence and substitute “seventy-five” and “fifty”, respectively.~~

~~(d) Amend section 537, which relates to provisions on uses of funds, as follows:~~

~~(1) In paragraph (5) of subsection (a), strike out “$3,300” and substitute “$3,800”.~~

~~(2) In subsection (c), strike out “$26,000,000” and substitute “$27,750,000”.~~

~~(e) In section 543 (d), which relates to saving provisions, strike out the words between “repealed” and “shall”~~

~~in the first sentence and substitute "subsequent to the time such funds are appropriated"; insert "or subsequent Acts" after "1957" both times it appears in the second sentence; and strike out the last sentence.~~

~~(f) Section 549, which relates to special provisions on availability of funds, is repealed.~~

~~CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION~~

~~INTERNATIONAL COOPERATION IN HEALTH~~

~~SEC. 501. The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and sup-~~

~~port international cooperation in programs directed toward the conquest of diseases and other health deficiencies.~~

~~COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION~~

~~SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.~~

That this Act may be cited as the "Mutual Security Act of 1959".

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is amended to read as follows:

"SEC. 2. STATEMENT OF POLICY.—(a) Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation in many countries of the world, helped Europe recover from the wounds of World War II, supported defensive military preparations by nations alerted by Communist aggression, and has soundly begun to help peoples of economically underdeveloped areas to develop their resources and improve their living standards.

"(b) Programs authorized by this Act continue to serve the following principal purposes:

"(1) The Congress of the United States perceives the identity of interest which exists between the people of the United States and the peoples of other lands who are striving to establish and develop politically independent and economically viable units, to produce more goods and services and improve ways of living by methods which reflect popular will, and to establish responsible governments which cooperate with like-minded governments. The Congress declares it to be a primary objective and need of the United States to share these strivings by giving generously of our knowledge and substance to peoples willing to work energetically toward these ends.

"(2) The Congress of the United States recognizes that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress declares it

to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

"(c) It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which *are still in need of assistance of the type provided under this Act.*

"(d) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence. To this end, assistance shall be rendered where appropriate and feasible in such a way as to promote the emergence of political units which are economically viable, either alone or in cooperation with neighboring units."

CHAPTER 1—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

(a) Amend section 103(a), which relates to authorization, to read as follows:

"(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,600,000,000, which shall remain available until expended: Provided, That of the funds made available pur-

suant to this section, $1,100,000,000 shall be available only for assistance to countries party to the North Atlantic Treaty or for activities of the North Atlantic Treaty Organization in such countries. Programs of military assistance subseqent to the fiscal year 1960 program shall be budgeted so as to come into direct competition for financial support with other activities and programs of the Department of Defense."

(b) Amend section 105(b), which relates to conditions applicable to military assistance, as follows:

(1) Paragraph (4) is amended to read as follows:

"(4) Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere which are found by the President to be important to the security of the United States, or for assistance to an international military force under the control of the Organization of American States for the protection of nations against external aggression. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not be the basis for military assistance programs to American Republics. Of the funds made available pursuant to section 103(a), not more than $65,000,000 shall be avail-

able for military assistance in American Republics during the fiscal year 1960. An additional $31,500,000 shall be available during the fiscal year 1960 only for assistance to an international military force under the control of the Organization of American States: Provided, That any balance remaining from such $31,500,000 not so used may be transferred from the military assistance account to the special assistance account (sec. 400(a)) and shall be available under the terms of that section only to promote economic development in Latin America."

(2) Add the following new paragraphs:

"(5) To the extent feasible and consistent with the other purposes of this chapter, administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development.

"(6) Military assistance to a country found by the Secretary of State to be underdeveloped shall, unless the Secretary authorizes an exception, be programed, and force goals shall be recommended, according to the principle that economic development needs shall have first call on the internal resources of such country."

Chapter II—Economic Assistance

DEFENSE SUPPORT

Sec. 201. Section 131(b) of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1959" and "$810,000,000" and substituting "1960" and "$835,000,000", respectively.

DEVELOPMENT LOAN FUND

Sec. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 203, which relates to capitalization, to read as follows:

"Sec. 203. Capitalization.—(a) The Secretary of the Treasury is authorized and directed to make, during the fiscal years 1960 through 1964, loans to the Fund in amounts needed to cover obligations incurred against the Fund. Except as provided in section 204(b) of this Act, the maximum amount of obligations incurred against the Fund during each of such fiscal years shall be $1,000,000,000; and any unused portion of the maximum applicable to any period shall be added to the maximum applicable to the succeeding period.

"(b) For purposes of the loans provided for in this section, the Secretary of the Treasury is authorized to use the proceeds of the sale of any securities issued under the

Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act are hereby extended to include this purpose. The President shall determine the terms and conditions of any advances or loans made to the Fund pursuant to this section."

(b) In section 204(b), which relates to fiscal provisions, after the first sentence insert: "The amount of such obligations also may not exceed the limitations specified in section 203(a) of this Act except that, to the extent that assets of the Fund other than capitalization provided pursuant to section 203(a) are available, obligations may be incurred beyond such limitations."

(c) Amend section 205, which relates to management, powers, and authorities, as follows:

(1) In subsection (b), strike out "three" in the second sentence and substitute "four".

(2) In subsection (c), strike out the last sentence.

TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike

out "$150,000,000" and "1959" and substitute "$179,500,000" and "1960", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations expanded program of technical assistance and related fund, strike out "$20,000,000" and "1959" and substitute "$30,000,000" and "1960", respectively, and strike out "and for succeeding calendar years not to exceed 40 per centum of the total amount contributed for such purpose for each such year" and insert ", for the calendar year 1959 not to exceed 40 per centum of the total amount contributed for such purpose, and for succeeding calendar years not to exceed 39 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year".

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1959" and substitute "1960".

(c) In section 308, which relates to the International Development Advisory Board, insert "or officers" after "officer" in the first sentence and strike out "to administer this title" in that sentence.

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) Amend section 400, which relates to special assistance, as follows:

(1) In subsection (a), which relates to authorization, strike out "1959" and "$202,500,000" and substitute "1960" and "$244,620,000", respectively.

(2) In subsection (c), which relates to assistance to American-sponsored schools and libraries abroad, strike out "$10,000,000" and substitute "$20,000,000".

(b) insert after section 400 the following new section:

"SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year 1960 funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force."

(c) In section 402, which relates to earmarking of funds, strike out "1959" in the first sentence and substitute "1960".

(d) In section 403, which relates to responsibilities in Germany, strike out "1959" and "$8,200,000" in the first sentence and substitute "1960" and "$7,500,000", respectively.

(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), strike out "1959" and "$1,200,000" and substitute "1960" and "$1,100,000", respectively.

(2) In subsection (d), strike out "1959" and "$8,600,000" and substitute "1960" and "$5,200,000", respectively.

(f) In section 406, which relates to children's welfare, strike out "$11,000,000" and "1959" and substitute "$12,000,000" and "1960", respectively.

(g) In section 407, which relates to Palestine refugees in the Near East, strike out "1959" in the first sentence and substitute "1960".

(h) In section 408(c), which relates to the North Atlantic Treaty Organization, strike out "four" and substitute "five".

(i) In section 409(c), which relates to ocean freight charges, strike out "1959" and "$2,100,000" and substitute "1960" and "$2,300,000", respectively.

(j) Section 410, which relates to Control Act expenses, is repealed.

(k) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out "1959" and "$33,000,000" and substitute "1960" and "$39,500,000", respectively.

(2) In subsection (c), strike out ", not to exceed $7,000,000 in any fiscal year,"; and insert before the period ", and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): Provided, That, in addition, funds made available for carrying out chapter 1 of this Act shall be available for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct".

(l) After section 411, insert a new section as follows:

"SEC 412. PRESIDENT'S SPECIAL EDUCATION AND TRAINING FUND.—Of the funds appropriated pursuant to section 103(a) for use beginning in each of the fiscal years 1960 through 1964, $10,000,000 for each such year shall be available only as follows:

"(a) $5,000,000 shall be available until expended only for financing studies, research, instruction, and other educational activities of citizens of underdeveloped countries in educational institutions in the United States, Puerto Rico, and the Virgin Islands. Such financing may include pay-

ment for transportation, tuition, maintenance and other expenses incident to scholastic activities. The President may employ such funds to augment programs of this character authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, and by the United States Information and Educational Exchange Act of 1948, as amended, and he may consolidate such portions of such $5,000,000 as he may deem appropriate with appropriations made to carry out these two Acts.

"(b) $5,000,000 shall be available until expended only for the training of people of underdeveloped countries in skills which will contribute to economic development. Such training shall be carried out in accordance with the policies set forth in title III of chapter II, relating to technical cooperation, and such $5,000,000 may be consolidated with appropriations made for carrying out title III of chapter II."

(m) Amend section 413(b)(4), which relates to encouragement of free enterprise and private participation, as follows:

(1) In subparagraph (A), strike out "any of the purposes of this Act" and substitute "the development of the economic resources and productive capacities of economically underdeveloped areas".

(2) In subparagraph (F), strike out "$500,000,000" and substitute "$1,000,000,000".

(3) In subparagraph (G), strike out "achieving any of the purposes of this Act" and substitute "furthering the development of the economic resources and productive capacities of economically underdeveloped areas".

(n) In section 419(a), which relates to atoms for peace, strike out "1959" and "$5,500,000" in the second sentence and substitute "1960" and "$6,500,000", respectively.

Chapter III—Contingency Fund

Sec. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1959" and "$155,000,000" in the first sentence and substituting "1960" and "$180,000,000", respectively.

Chapter IV—General and Administrative Provisions

Sec. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) In section 501, which relates to transferability of funds, designate the present text as "(a)" and add the following new subsection:

"(b) In view of the rapidly increasing danger to the independence of friendly countries which is presented by the trade and assistance programs of international communism,

and notwithstanding subsection (a) of this section, the President is authorized to transfer to and consolidate with funds made available for nonmilitary use under titles III and IV of chapter II up to 30 per centum of the funds made available for military use under chapter I."

(b) In section 503, which relates to termination of assistance, designate the present text as subsection "(a)" and add the following new subsection:

"(b) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated."

(c) In section 504, which relates to small businesses, add the following new subsection:

"(d) There is hereby authorized to be appropriated to the President for the fiscal year 1960 not to exceed $2,500,000 to make available to foreign small business concerns in underdeveloped countries, or to foreign government organizations established for the purpose of helping such concerns in underdeveloped countries, on such terms and conditions as he may determine, machine tools, industrial equipment and other equipment owned by agencies of the United States Government."

(d) In section 505(b), which relates to loan assistance and sales, strike out the third sentence and substitute the following: "United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan which are in excess of the requirements as determined from time to time by the Secretary of State for purposes authorized in section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. app. 1641 (b)), may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to the Development Loan Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of title II of chapter II of this Act."

(e) Amend section 523, which relates to coordination with foreign policy, as follows:

(1) In subsection (b), add the following new sentence: "The chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires."

(2) Amend subsection (c) to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

(f) In section 527(b), which relates to employment of personnel, strike out "sixty" and "thirty-five" in the first sentence and substitute "seventy-five" and "fifty", respectively.

(g) Amend section 537, which relates to provisions on uses of funds, as follows:

(1) In paragraph (5) of subsection (a), strike out "$3,300" and substitute "$3,800".

(2) In subsection (c), strike out "$26,000,000" and substitute "$27,750,000".

(3) Amend subsection (f) to read as follows:

"(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, there shall be submitted a detailed report on the assistance to be furnished, country-by-country, under title I of chapter II, and under section 400(a), of this Act. The report with respect to each country shall contain a clear and detailed explanation of the proposed level of aid for such country, and shall include a listing of all significant factors considered in determining the level of aid for such country; the reason for including each such factor and an explanation of the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country. In addition, with respect to assistance proposed to be furnished under title I of chapter II of this Act, the report shall contain a clear and detailed explanation on a country-by-country basis of the determination of the particular level of forces to be supported by the proposed request for authorization and appropriation for military assistance, the factors considered in arriving at each country determination, and where the level of forces supported by military assistance differs from the total level of forces

maintained in any such country, an explanation, in detail, of the reason for the difference in such level of forces."

(h) In section 543(d), which relates to saving provisions, strike out the words between "repealed" and "shall" in the first sentence and substitute "subsequent to the time such funds are appropriated"; insert "or subsequent Acts" after "1957" both times it appears in the second sentence; and strike out the last sentence.

(i) Section 549, which relates to special provisions on availability of funds, is repealed.

(j) After section 549 add the following new sections:

"SEC. 550. INFORMATION POLICY.—The President shall, in the reports required by section 534, or in response to requests from Members of the Congress or inquiries from the public, make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States.

"SEC. 551. LIMITATION ON THE USE OF THE PRESIDENT'S SPECIAL AUTHORITY.—The authority contained in sections 403, 451, and 501 of this Act shall not be used to augment appropriations made pursuant to sections 103(b), 408, 411(b), and 411(c) or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

INTERNATIONAL COOPERATION IN HEALTH

SEC. 501. The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its *share of the expenses of the Colombo Plan Council for Technical Cooperation.*

CHAPTER VI—AMENDMENTS TO OTHER LAWS AND MISCELLANEOUS PROVISIONS

SEC. 601. Public Law 885, Eighty-fourth Congress (70 Stat. 890, 5 U.S.C. 170f–170t), which provides certain basic authority for the Department of State, is amended by adding at the end thereof a new section reading as follows:

"SEC. 16. (a) The Secretary of State is authorized to make grants to individuals who are engaged in teaching any modern foreign language, in an elementary or secondary school or an institution of higher education. Such grants shall be for the purpose of enabling such individuals, during the summer period when their services as teachers are not required, to obtain in an area, region, or country in which the language they are teaching is commonly used, advanced training in such language and training in other fields needed for a full understanding of such area, region, or country. The Secretary shall consult with the Secretary of Health, Education, and Welfare with respect to the selection of individuals for grants under this section and the establishment of standards for their selection, and the Secretary of State may make arrangements for the performance by the Department of Health, Education, and Welfare of such functions under this section as may be mutually

agreeable to the Secretary of State and Secretary of Health, Education, and Welfare.

"(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the Secretary of State, in carrying out the provisions of this section, may use currencies, or credits for currencies, of any foreign government (1) held or available for expenditure by the United States and not required by law or agreement with such government to be expended or used for any other purpose, or (2) made available under the provisions of subsection (c) of this section.

"(c) In order to make additional funds available for the purposes of this section the Secretary of State is authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government deposited pursuant to agreements entered into under section 142(b) of the Mutual Security Act of 1954 or section 115(b)(6) of the Economic Cooperation Act of 1948, or any other Act and not required by agreement with such government to be expended or used for any other purposes."

SEC. 602. Section 522 of the Foreign Service Act of 1946, as amended (60 Stat. 1009, 22 U.S.C. 922), is amended by striking out the word "and" at the end of subparagraph (1), by striking out the period at the end of sub-

paragraph (2) and substituting a semicolon and the word "and", and by adding at the end thereof a new subparagraph (3) which shall read as follows:

"(3) extend the appointment or assignment of any Reserve officer, or continue the services of any such Reserve officer by reappointment without regard to the provisions of section 527 of this Act, for not more than five additional years if the Secretary deems it to be in the public interest to continue such officer in the Service, except that the assignment of any Reserve officer under paragraph (2) above may not be extended under the provisions of this paragraph without the consent of the head of the agency concerned."

SEC. 603. Section 1011(a) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), is amended by inserting before the period at the end thereof a colon and the following: "Provided, That the purpose of making informational media guaranties shall be the achievement of the foreign policy objectives of the United States, including the objective mentioned in sections 413(b)(4)(A) and 413(b)(4)(G) of the Mutual Security Act of 1954, as amended".

SEC. 604. EXPENSES OF ANNUAL MEETING OF NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE.—There is authorized to be appropriated the sum *of $100,000 for the purpose of defraying the expenses incident to the annual meeting of the North Atlantic Treaty Parliamentary Conference for the year 1959, to be held in Washington, District of Columbia. Funds appropriated pursuant to this authorization shall be disbursed on vouchers jointly approved by the chairmen of the Senate and House delegations to the Conference, and such approval shall be final and conclusive upon the accounting officers in the auditing of accounts incident to the annual meeting.*

Calendar No. 405

86TH CONGRESS
1ST SESSION

S. 1451

[Report No. 412]

A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. FULBRIGHT

MARCH 18, 1959

Read twice and referred to the Committee on Foreign Relations

JUNE 22, 1959

Reported with an amendment

APPENDIX C. MEETING OF THE BAGHDAD PACT MEMBERS IN WASHINGTON

DEPARTMENT OF STATE,
Washington, June 1, 1959.

Hon. J. WILLIAM FULBRIGHT,
Chairman, Committee on Foreign Relations,
United States Senate.

DEAR SENATOR FULBRIGHT: The United States has frequently been urged by the Baghdad Pact member states to invite Pact organs to meet in Washington. Such a request was recently put to us again through the Baghdad Pact Council Deputies in Ankara at the behest of the Government of Iran. The other Baghdad Pact member states, viz. Turkey, Pakistan and the United Kingdom, with whom we are also associated in NATO or SEATO or both, have likewise stressed the importance they attach to having the Baghdad Pact Council meet here.

In principle, we prefer to see Baghdad Pact organs meet in the Middle East region. After extensive consideration by the executive branch, it has been concluded, however, that it would be in the interests of the United States to invite the Baghdad Pact Council to hold its next meeting here, probably from October 7 to 9, 1959. We believe that such action will materially reassure our Turkish, Iranian and Pakistani friends of United States support of their determination to resist the Communist threat to their national independence and territorial integrity.

Our present thinking is that the Department of State will authorize the American Embassy at Ankara to extend such an invitation in time for the next Baghdad Pact Council Deputies meeting in that capital, which is now scheduled to take place on Tuesday, June 9, 1959. We plan to make public our invitation a day or two later, once sufficient time has elapsed to convey it to the governments concerned.

If you or other members of the Senate Foreign Relations Committee should desire further information on this matter, I would be pleased to arrange a meeting with appropriate officers of the Department of State.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

APPENDIX D. CONSULTATION WITH COUNTRIES OF SOUTH ASIA

Calendar No. 591

86TH CONGRESS
1ST SESSION

S. CON. RES. 11

[Report No. 594]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19, 1959

Mr. KENNEDY (for himself and Mr. COOPER) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations

JULY 28, 1959

Reported by Mr. KENNEDY, with amendments

[Amend the preamble; strike out all after the resolving clause and insert the part printed in italic]

CONCURRENT RESOLUTION

Whereas the continued vitality and success of the ~~Republic of India is a matter~~ *Governments of South Asia are matters* of common ~~free world~~ interest *to free nations,* politically because of ~~her four hundred~~ *their five hundred and twenty-five* million people and vast land area; strategically because of ~~her commanding~~ *their vital* geographic location; economically because of ~~her organized~~ *their resources and their* national development ~~effort~~ *efforts*; and morally because of ~~her heartening commitment to the goals, values, and institutions of democracy~~ *the great necessity that they continue to make progress and succeed in their earnest efforts to improve the lot of their peoples*: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), ~~That it is the sense of Congress that the United States Government should invite other friendly and demo-~~

~~eratic nations to joint in a mission to consult with India on the detailed possibilities for joint action to assure the fulfillment of India's second five-year plan and the effective design of its third plan. And that the Secretary of State report to the Congress on the feasibility of such a mission after consultation with interested governments and with the Republic of India.~~

That it is the sense of the Congress (a) that the President of the United States of America should explore with other free and democratic nations and appropriate international organizations the desirability and feasibility of establishing an international mission to consult with the Governments of countries in the area of South Asia on their needs in connection with the fulfillment of currently planned and anticipated development programs over the next five years and to consider and recommend ways and means of jointly assisting in the implementation of those plans in cooperation with the Governments of South Asia, and (b) that if the international mission is established, the President of the United States of America should report to the Congress on such recommendations as are made by the mission.

Amend the title so as to read: "Concurrent resolution to invite friendly and democratic nations to consult with countries of South Asia."

Calendar No. 591

86th CONGRESS
1st Session

S. CON. RES. 11

[Report No. 594]

CONCURRENT RESOLUTION

To invite friendly and democratic nations to consult with India.

By Mr. Kennedy and Mr. Cooper

February 19, 1959

Referred to the Committee on Foreign Relations

July 28, 1959

Reported with amendments

APPENDIX E

COMMITTEE ON FOREIGN RELATIONS PUBLICATIONS FOR 1959: HEARINGS, COMMITTEE PRINTS, SENATE DOCUMENTS AND REPORTS

HEARINGS PRINTED IN 1959

Jan. 14 and 21, 1959	U.S. Foreign Policy: Statements by Dulles and Dillon.
Jan. 27, 1959	Foreign Service Appointments.
Jan. 28, 30 and Feb. 2, 1959	Disarmament and Foreign Policy. Part 1.
Feb. 4, 5, 23, 24, 25, and 26, 1959	Disarmament and Foreign Policy. Part 2.
Feb. 18, 1959	The American Overseas.
Mar. 9, 12, and 17, 1959	Amend Bretton Woods Agreements Act.
Mar. 25, 1959	Geneva Test Ban Negotiations.
Apr. 15, 1959	Nomination of Clare Boothe Luce.
Apr. 15, 1959	What's Wrong With Our Foreign Policy.
Apr. 21, 1959	Nomination of Christian A. Herter.
Apr. 23, May 4, 6, 7, 8, 11, 13, and 14, 1959	Mutual Security Act of 1959. Part 1.
May 15, 18, 20, 21, 22, and 25, 1959	Mutual Security Act of 1959. Part 2.
May 12, 1959	Nomination of C. Douglas Dillon.
May 12 and 19, 1959	Nomination of Ogden R. Reid.
May 12, 1959	Informal Meeting with George F. Kennan.
May 29, 1959	International Claims Settlement Act.
Apr. 16, 1959	Improvement in standards of language proficiency and in recruiting for the Foreign Service.
June 23, 1959	Inter-American Development Bank.
June 24, 1959	Testimony of John A. McCone on Geneva Test Ban Negotiations.
July 6 and 15, 1959	Administration of the Department of State and the Foreign Service, and Establishment of a Foreign Service Academy.
July 7, 8, and 10, 1959	International Food for Peace.
July 9, 1959	North American Regional Broadcasting Agreement. Mexican Broadcasting Agreement.
July 13, 1959	Passport Legislation.
July 30 and 31, 1959	Situation in Vietnam.
Aug. 19, 1959	International Educational and Cultural Relations.
Sept. 1 and 4, 1959	International Bridges.
Dec. 7 and 8, 1959	Situation in Vietnam. Part 2.

COMMITTEE PRINTS

Jan. 15, 1959	Fourth NATO Parliamentarians' Conference.
Feb. 27, 1959	Amendments to Bretton Woods Agreements Act of 1945, as amended.
Feb. 24, 1959	Informal Meeting with Barbara Ward. (Confidential, not for distribution.)
Apr. 29, 1959	Subcommittees.
April 1959	Legislation on Foreign Relations, with explanatory notes.
May 8, 1959	Documents on Germany, 1944–1959.
May 1959	Handbook on Arms Control and Related Problems in Europe: Excerpts and summaries of official and unofficial proposals.

June 15, 1959	Study of U.S. Foreign Policy: Summary of views of retired Foreign Service officers.
June 24, 1959	U.S.-U.S.S.R. Trade Relations: Department of State replies to a letter by Senator J. William Fulbright.
July 31, 1959	Canada-U.S. Interparliamentary Group.
Aug. 13, 1959	St. Lawrence Seaway and Power Project.
Aug. 20, 1959	U.S. Exchange Programs with the Soviet Union, Poland, Czechoslovakia, Rumania, and Hungary.
August 1959	North American Regional Broadcasting Agreement. Broadcasting Agreement with Mexico.
August 1959	U.S. Foreign Policy: Worldwide and domestic problems and their impact on the foreign policy of the United States. Study No. 1.
September 1959	U.S. Foreign Policy: Possible nonmilitary scientific developments and their potential impact on foreign policy problems of the United States. Study No. 2.
Oct. 15, 1959	U.S. Foreign Policy: Western Europe. Study No. 3.
Oct. 23, 1959	U.S. Foreign Policy: Africa. Study No. 4.
Nov. 1, 1959	U.S. Foreign Policy: Asia. Study No. 5.
Nov. 11, 1959	U.S. Foreign Policy: Basic Aims of U.S. Foreign Policy. Study No. 6.
Nov. 19, 1959	U.S.-Latin American Relations: Post World War II Political Developments in Latin America. Study No. 1, American Republics Affairs Subcommittee.
Nov. 25, 1959	U.S. Foreign Policy: Basic Aims of U.S. Foreign Policy. Study No. 7.
December 1959	Legislation on Foreign Relations with explanatory notes.
Dec. 8, 1959	U.S. Foreign Policy: Developments in Military Technology and Their Impact on U.S. Strategy and Foreign Policy. Study No. 8.
Dec. 12, 1959	U.S.-Latin American Relations: Commodity Problems in Latin America. Study No. 2.
Dec. 24, 1959	U.S. Latin American Relations: The Organization of American States. Study No. 3.

SENATE DOCUMENTS

S. Doc. 128 (84th Cong.) Jan. 14, 1959	Legislative History of the Committee on Foreign Relations.
S. Doc. 18, Mar. 23, 1959	Preliminary Report and Letter of Transmittal of the President's Committee to study the U.S. military assistance program.
S. Doc. 26, Apr. 30, 1959	Proposed International Development Association.
S. Doc. 45, Aug. 19, 1959	Khrushchev on the Shifting Balance of World Forces.
S. Doc. 65, Sept. 9, 1959	Rio Grande International Storage Dams Project: Proposed Amistad Dam and Reservoir.
S. Doc. 66, Sept. 11, 1959	Tensions in Communist China.

SENATE REPORTS

S. Rept. 2, Jan. 20, 1959	Studies of Foreign Policies.
S. Rept. 3, Jan. 20, 1959	Reception of Foreign Dignitaries.
S. Rept. 109, Mar. 18, 1959	Amendments to the Bretton Woods Agreements Act of 1945, as Amended.
S. Rept. 118, Mar. 19, 1959	Study of U.S. Foreign Policy.
S. Rept. 119, Mar. 19, 1959	Invitation to Hold the 1964 Olympic Games in the United States.
S. Rept. 152, Mar. 25, 1959	Appropriation for III Pan-American Games, Chicago, Ill.

S. Rept. 188, Apr. 15, 1959	Coordination of Cultural Exchange Programs.
S. Rept. 189, Apr. 15, 1959	North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C.
S. Rept. 205, Apr. 17, 1959	Suspension of Nuclear Weapons Tests.
S. Rept. 206, Apr. 17, 1959	Financing of Congressional Participation in Meetings of the Canada-United States Interparlimentary Group.
S. Rept. 217, Apr. 22, 1959	Financing of Congressional Participation in Meetings of the Canada-United States Interparliamentary Group.
S. Rept. 238, Apr. 30, 1959	Attendance at Meeting of Commonwealth Parliamentary Association.
S. Rept. 292, May 15, 1959	Redesignating the Position of the Third Ranking Official in the Department of State and Vesting in the Secretary of State Authorities Now Vested in the Under Secretary of State for Economic Affairs.
S. Rept. 412, June 22, 1959	The Mutual Security Act of 1959.
S. Rept. 487, July 8, 1959	Inter-American Development Bank Act.
S. Rept. 515, July 15, 1959	Bridge across the Rio Grande at El Paso.
S. Rept. 575, July 24, 1959	Peace through the reduction of armaments.
S. Rept. 576, July 24, 1959	Authorizing Col. Philip M. Whitney, Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France.
S. Rept. 577, July 24, 1959	Authorizing Hon. Thomas F. McAllister, judge of the U.S. Court of Appeals, to accept and wear a decoration tendered him by the Government of France.
S. Rept. 578, July 24, 1959	Authorizing certain generals of the Army to accept and wear decorations, orders, medals, presents, and other things tendered them by foreign governments.
S. Rept. 593, July 28, 1959	Relief of the Government of Iceland.
S. Rept. 594, July 28, 1959	Inviting friendly and democratic nations to consult with the nations of south Asia.
S. Rept. 599, July 31, 1959	Amendments to the Mutual Defense Assistance Control Act of 1951.
S. Rept. 631, Aug. 6, 1959	Authorizing a Payment to the Government of Japan.
S. Rept. 632, Aug. 7, 1959	The International Food for Peace Act of 1959.
S. Rept. 686, Aug. 12, 1959	Century 21 Exposition at Seattle.
S. Rept. 816, Aug. 26, 1959	Authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival and for other purposes.
S. Rept. 817, Aug. 26, 1959	Concerning the desirability of holding an international exposition in the United States.
S. Rept. 837, Aug. 31, 1959	Foreign Service Retirement and Disability System.
S. Rept. 880, Sept. 2, 1959	Foreign Service Act Amendments of 1959.
S. Rept. 905, Sept. 4, 1959	Observation of an International Public Health and Medical Research Year.
S. Rept. 980, Sept. 8, 1959	Authorizing construction, maintenance, and operation of toll bridges, across St. Marys River and Rio Grande.
S. Rept. 984, Sept. 9, 1959	Statute to Uruguay.
S. Rept. 990, Sept. 9, 1959	Inter-American Children's Institute.

EXECUTIVE REPORTS

Ex. Rept. 1, Apr. 22, 1959	Treaty of Amity, Economic Relations, and Consular Rights with the Sultan of Muscat and Oman.
Ex. Rept. 3, May 5, 1959	Convention with Cuba for the Conservation of Shrimp.
Ex. Rept. 5, July 14, 1959	International Wheat Agreement, 1959.
Ex. Rept. 6, July 17, 1959	International Sugar Agreement, 1959.

Ex. Rept. 7, July 28, 1959	Inter-American Institute of Agricultural Science.
Ex. Rept. 8, July 28, 1959	Duties and Rights of States in event of civil strife.
Ex. Rept. 9, Aug. 6, 1959	Telegraph Regulations (Geneva Revision, 1959).
Ex. Rept. 10, Aug. 11, 1959	Tax Convention with Norway.

APPENDIX F

VOLUMES PUBLISHED TO DATE IN THE "HISTORICAL SERIES"

Legislative Origins of the Truman Doctrine.
Foreign Relief Act: 1947.
Foreign Relief Assistance Act of 1948.
The Vandenberg Resolution and the North Atlantic Treaty.
Military Assistance Program: 1949.
Extension of European Recovery Program: 1949.
Economic Assistance to China and Korea: 1949–50.
Reviews of the World Situation: 1949–50.

Executive Sessions of the Senate Foreign Relations Committee:

- Volume I, Eightieth Congress, First and Second Sessions, 1947–48.
- Volume II, Eighty-first Congress, First and Second Sessions, 1949–50.
- Volume III, Parts 1 and 2, Eighty-second Congress, First Session, 1951.
- Volume IV, Eighty-second Congress, Second Session, 1952.
- Volume V, Eighty-third Congress, First Session, 1953.
- Volume VI, Eighty-third Congress, Second Session, 1954.
- Volume VII, Eighty-fourth Congress, First Session, 1955.
- Volume VIII, Eighty-fourth Congress, Second Session, 1956.
- Volume IX, Eighty-fifth Congress, First Session, 1957.
- Volume X, Eighty-fifth Congress, Second Session, 1958.
- Volume XI, Eighty-sixth Congress, First Session, 1959.

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